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# ***Daily Report***

## **China**

FBIS-CHI-92-025  
Thursday  
6 February 1992

# Daily Report

## China

FBIS-CHI-92-025

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6 February 1992

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Delegate Addresses UN Human Rights Meeting

OW0502174892 Beijing XINHUA in English  
1702 GMT 5 Feb 92

[Text] Geneva, February 5 (XINHUA)—China emphasized the importance of the rights to subsistence and to development on Wednesday, saying that they are the most fundamental human rights for many developing countries.

"Without economic development of many developing countries, and before totally eliminating poverty and narrowing the ever increasing gap between the rich and the poor, there will be no genuine peace and stability in the world," a Chinese delegate told a United Nations conference on human rights.

Speaking at the annual session of the U.N. Commission on Human Rights, the alternate representative of China, Zhan Daode, said that the right to development is by no means confined to the economic dimensions, although it covers the economic aspect, it embraces more substantial and richer connotation than that.

"The declaration of the right to development points out clearly that development is a comprehensive process covering economy, society, culture and politics. Only in such process can all human rights and fundamental freedoms, which include civil and political rights as well as economic, social and cultural rights, be fully achieved. The right to development emphasizes that all human rights and fundamental freedoms are interdependent and indivisible", he said.

The Chinese delegate pointed out that the right to development is regarded as a collective right. Primarily speaking, for the destiny of a state or nation is the prerequisite and basis for the development of the individual.

"When a nation or state was subjected to the domination of racism, colonialism and foreign aggression, there could be no genuine development whatsoever for the individuals, for even his right to subsistence was gravely threatened, there never exists any genuine development whatsoever".

Secondly, the development of the individual depends on the development of a nation or state. "When a nation or state was in poverty and backwardness, there would be no development for the individual", he said.

Thirdly, the realization of the right to development further means an overall development in economic, social, cultural, educational, health and other fields of a nation or state, and the realization of its social justice.

Zhan stressed that the promotion and realization of the right to development are a long-term common task facing the international community, efforts should be made to create internal and external conditions essential to its gradual realization.

"So far as internal conditions are concerned, the government of a state should work out its development guidelines and policies in accordance with its own reality free from any outside interference. Its people as a whole should be encouraged to make concerted efforts in their active participation. A stable social environment and order is needed, for the realization of the right to development has never been achieved in a turbulent society."

Regarding the external factors, Zhan said, "The international situation, which has undergone great changes, has not brought about peace nor tranquility in the world, grave challenges remain in the course of development." In the present world, there still exist the phenomena of violation of other nation's sovereignty and the right of peoples to self-determination under various forms of racism, colonialism, foreign aggression, subversion and occupation, he added.

An unfair international economic order has widened the gap between the north and the south, as a result, the rich becomes richer and the poor poorer, he stressed.

The Chinese delegate said that the rights to subsistence and to development are the most fundamental rights for many developing countries.

It also means that without economic development of many developing countries, and before totally eliminating gap between the rich and the poor, there will be no genuine peace and stability in the world, he added.

As a result, the full enjoyment of all human rights and fundamental freedom will turn out to be an empty word.

### Delegation Leaves for UN Trade Conference

OW0602073692 Beijing XINHUA in English  
0711 GMT 6 Feb 92

[Text] Beijing, February 6 (XINHUA)—A Chinese delegation left here today for Cartagena, Colombia, to attend the 8th session of the UN Conference on Trade and Development.

The delegation is headed by He Chunlin, deputy secretary-general of the State Council.

### UNSC To Maintain Sanctions Against Iraq

OW0502220492 Beijing XINHUA in English  
2121 GMT 5 Feb 92

[Text] United Nations, February 5 (XINHUA)—The U.N. Security Council [UNSC] decided today that the sanctions it imposed on Iraq in 1990 should be kept intact despite calls for its removal in view of the humanitarian needs of the Iraqi people.

In a statement to the press after the council held consultations on the matter last week and today, Thomas Pickering, U.S. ambassador to the United Nations and council president for this month, said, "There was no agreement that the necessary conditions existed for a

modification of the regime established in paragraph 20 of Resolution 687 (1991), as referred to in paragraph 21 of that resolution."

At the consultations, a 60-day routine review of the sanctions as provided for under resolution 687, which sets the terms for the Gulf war last year, the council members heard a report by the U.N. secretary-general on Iraq's compliance with the resolution and other related resolutions and opinions of member countries.

The council president said that there is "serious evidence" of Iraqi non-compliance over its programs for weapons of mass destruction and the repatriation of Kuwaitis and other third country nationals detained in Iraq and that there is much Kuwaiti property to be returned.

Under a series of Security Council resolutions, particularly Resolution 687, Iraq is required to destroy its capabilities of chemical, biological and nuclear weapons and ballistic missiles with a range more than 150 kilometers in addition to the return of Kuwaitis and third country nationals and Kuwaiti property it seized from Kuwait after its invasion on August 2, 1990, and payment of war damages.

Iraq however said it has implemented all the related resolutions.

In a letter to the president of the Security Council on January 23, Iraqi Foreign Minister Ahmad Husayn charged that the campaign launched by certain state members of the Security Council, in relation to the extent to which the measures specified in Resolution 687 have been implemented and to Iraq's intentions, is "a biased campaign" and "at odds" with facts.

He called on the Security Council "to look deeply and objectively" into the question of sanctions, "away from the political objectives sought by certain countries."

"Refrainment by the Security Council from lifting the sanctions, at the instigation of certain countries, will undermine the resolutions themselves and render them meaningless," the foreign minister declared.

Under paragraph 21 of Resolution 687, the sanctions against Iraq would be reduced or lifted if the council determines that Iraq has implemented all the related Security Council resolutions.

The sanctions include prohibitions against the sale or supply to Iraq of commodities or products other than medicine and health supplies and foodstuffs and materials and supplies for essential civilian needs to be approved by the council's sanctions committee.

Pickering also said the council members "strongly deplored" that the Iraqi authorities have decided to discontinue its talks with the United Nations regarding the U.N.-approved sale by Iraq of 1.6 billion U.S.

dollars' worth of oil to finance the purchase of foodstuffs, medicines and materials and supplies for essential civilian needs.

Iraq notified the United Nations Tuesday that it had decided to cancel the new round of talks on the matter, which was scheduled to be held in Vienna today.

Iraq's Ambassador to the United Nations 'Abd-al-Amir al-Anbari declared that the talks, which started last month, were no longer useful in view of the conditions imposed by the Security Council.

Under the resolutions authorizing the sale, one third of the proceeds would be used to pay for war damages and imposed were a number of other conditions including strong U.N. supervision of the sale.

The council members expressed the hope that a resumption of the contacts may lead to the early implementation of the scheme set out in the resolutions to enable humanitarian supplies to reach the Iraqi people.

#### World Economic Forum Discussions on CIS Noted

OW0602081792 Beijing XINHUA Domestic Service  
in Chinese 0937 GMT 4 Feb 92

[By reporters Li Ruifeng (2621 6904 6912) and Shi Guangyao (2457 0342 5069): "Roundup: Viewing CIS's Current Situation and Prospects From Davos"—XINHUA headline]

[Text] Davos (Switzerland), 4 Feb (XINHUA) —The disintegration of the Soviet Union and the establishment of the Commonwealth of Independent States [CIS] will have far-reaching repercussions on the world's political and economic situation. Hence, the current situation and the direction of the CIS's future development have become over the past three days an important international issue for specific study and discussion by personalities from Western political and business circles who are attending the 1992 World Economic Forum in Davos, Switzerland. Almost all members nations of the CIS have sent large delegations led by their respective presidents, chairmen of the Supreme Soviet, or other government leaders to the current annual meeting.

As regards existing problems in the CIS, the views of the attendees at the meeting are basically identical. These problems are primarily apparent in the following two areas:

1. Various member nations of the CIS are beset with economic difficulties. In his cable to the current annual meeting, Russian President Yeltsin said that presently Russia is at an "extremely difficult moment in history." He said: Russia has taken upon itself a series of problems belonging to the former Soviet Union—an economic imbalance, especially the imbalance in financial structures; hefty military expenses and foreign debts; and

increasingly tense situations as a result of the transition toward a market economy following the implementation of economic reform.

(Yasin), a Russian industrialist and responsible officer of the Russian Entrepreneurs' Alliance, believes that Russia's rate of inflation in the current year will reach at least 500 percent, far exceeding the estimate of the Russian Government.

While addressing a seminar, Armenian President Ter-Petrosyan said: All members of the CIS have felt both the seriousness of their economic problems and the necessity for mutual cooperation. The greatest danger they are facing now is that nobody knows how to resolve these problems.

2. Economic conflicts among various CIS member states are conspicuous. After the disintegration of the Soviet Union, the traditional ties between various union republics of the former USSR—the current CIS member states—were abruptly suspended, thereby precipitating a series of political and economic problems, and triggering off sharp contradictions and conflicts among themselves.

Ukrainian President Kravchuk pointed out: CIS member countries are independent states on a equal footing; they should shoulder international obligations. However, some member states are going their own way without considering the interests of other member states.

St. Petersburg's Mayor Sobchak is of the opinion that the various CIS member states have already launched "economic warfare" among themselves. For instance, coal and timber producing countries are engaged in disputes, leading to a drop in coal production.

In respect to how the CIS and its various member states will develop hereafter, there are relatively greater divergent views among the attendees, and the most controversial ones lie in currency and foreign policy issues.

During the seminar, when former U.S. Secretary of State Henry Kissinger posed the questions "What does the CIS signify?" and "What does 'Commonwealth' imply?" none of the leaders of the various members states present at the meeting answered categorically.

Then Kissinger asked: Does the CIS need a common currency and a common foreign policy? The answers given by various parties were widely divergent.

The majority of CIS member states maintain that since the member states are independent in principle, they are entitled to have their own currencies.

Ukrainian President Kravchuk said: The Ukraine will issue its own currency because Russia has taken control of printing the ruble, and thus there is a 30 percent shortage of currency in the Ukraine. The Ukraine has to issue its own currency which is not linked to the ruble.

Kazakhstan President Nazarbayev held that the pressing matter now is to stabilize the ruble. He said: Currently, some member states have printed various notes and have caused confusion.

As regards foreign policy, all leaders of the various attending member states hoped they could join the European Economic Community. However, some leaders maintained that various member states are entitled to formulate their own foreign policies and develop special relations with certain countries. Some other leaders held that while formulating their own foreign policies, member states should take into consideration the overall interests of the CIS.

Among those attending the current World Economic Forum, quite a few are important figures from Western industrial and commercial circles. In order to attract investments from the West, delegations of the various CIS member states present actively launched propaganda offensives. They hoped Western business circles would enhance cooperation with them and extend aid and investment. However, in view of the existence of large internal differences among CIS nations, coupled with the unstable situation there, Western industrial and commercial circles still adopt a wait-and-see attitude about making investments in the CIS. This shows that industrial and business circles in the West are worried about future developments in the CIS.

#### **Economic Issues Dominate Yeltsin's Canada Visit**

OW0202090292 Beijing XINHUA in English  
0838 GMT 2 Feb 92

[Text] Ottawa, February 1 (XINHUA)—Russian President Boris Yeltsin today focused his brief meeting with Canadian Prime Minister Brian Mulroney on economic issues and bilateral relations, and left for home with limited successes.

Yeltsin flew in this evening after he attended the United Nations Security Council summit and held talks with U.S. President George Bush on strategic issues including nuclear disarmament.

The major achievement of his four-hour visit to Canada is the signing of a new long-term grains supply agreement, under which Canada will sell 25 million tons of grains to Russia over the next five years. Terms and conditions of each grain sale will be negotiated separately.

The deal is not particularly significant, because while Russia and other republics of the former Soviet Union are in urgent need for food supply, Canada is in fact trying desperately to secure a major buyer in face of the fierce competition on international grain market.

The former Soviet Union had been the number one customer for Canadian grains. In the past year or so, Canada has provided it with nearly two billion dollars of credits, primarily for the purchase of Canadian wheat and other grains. Much of the credits have been used up.



In addition to the new long-term grain deal, Canada today also offered a new 100-million-dollar line of credit for Russia to buy Canadian goods and services.

Meanwhile, Canada has decided to offer preferential tariff treatment for Russian goods to be exported to Canada. This treatment will reduce tariff by about 30 percent.

Speaking at a press conference after his talks with Mulroney, Yeltsin complained that contrary to what Canada has done to Russia, some Western countries have been paying lip-service to helping Russia.

They have been talking about cooperation with Russia and support for its reform for several months, but unfortunately they did not take further steps, he said.

He said he has found it hard to understand their "near-sighted myopic position". "Reform in Russia is not Russia's business alone, it is a problem for the world community as a whole."

He admitted that there is dissatisfaction among the Russian people and their trust in the leadership could not last more than eight months till the end of this year if their major problems are not solved.

He warned that if the West does not come to the help of Russia, "there could be a very real danger of war."

The particularly difficult months will be February, March and April, basically due to the lack of foodstuffs, he said.

He also admitted that foreign business communities have little confidence in Russia's stability, but he urged them to "invest today" because things will improve in his country.

However, Yeltsin ruled out the possibility that former Soviet Leader Mikhail Gorbachev could play an important role in soliciting foreign aid for Russia during this difficult time.

#### **DPRK, Belarus Establish Diplomatic Relations**

*OW0502092192 Beijing XINHUA in English  
0908 GMT 5 Feb 92*

[Text] Pyongyang, February 5 (XINHUA)—The Democratic People's Republic of Korea (DPRK) and Belarus have established diplomatic relations, the DPRK newspaper NODONG SINMUN reports today.

A joint communique on the establishment of diplomatic relations was signed in Minsk, the capital of Belarus, on Monday.

It says the DPRK and Belarus governments will develop friendly cooperation in various fields on the basis of independence, equality, mutual benefit and non-interference in each other's internal affairs.

The DPRK has diplomatic ties with Russia, the Ukraine, Kyrgyzstan, Turkmenia, Kazakhstan and Moldova.

#### **United States & Canada**

##### **Bush Urges Fast Action on Economic Package**

*OW0602061192 Beijing XINHUA in English  
0141 GMT 6 Feb 92*

[Text] Washington, February 5 (XINHUA)—President Bush, issuing his annual report on the state of the economy, said today that his package of consumer and business tax breaks represent a reasoned approach to spurring an economic upturn without inflating already huge budget deficits.

This year's 423-page "Economic Report of the President" also forecasts a sustained recovery beginning in the middle of this year.

The addition of the growth package was the main difference from last year's report. In that report, the President had confidently predicted that the recession would be "mild and brief" and would end by the middle of 1991 without the need for the kinds of tax cuts the President is now proposing.

In its economic forecast, the administration said that the economy would expand at an annual rate of 2.2 percent this year, when measured from the fourth quarter of 1991, and then accelerate even further to growth at annual rates of 3 percent in 1993 and 1994, if the President's growth package is adopted by Congress.

However, the report warns that failure to adopt the President's package would mean significantly slower growth of just 1.6 percent this year and 2.4 percent in 1993.

##### **Baker Briefs Senate on Nuclear Proposals**

*OW0602062892 Beijing XINHUA in English  
0229 GMT 6 Feb 92*

[Text] Washington, February 5 (XINHUA)—United States Secretary of State James Baker acknowledged today that U.S. emergency food aid is too slow in getting to the people of the former Soviet Union.

Before a hearing of the Senate Foreign Relations Committee, Baker said "we recognize there is a need to accelerate deliveries of food and medicine."

When U.S. President George Bush announced the 165 million dollar program to provide relief to "hard-hit" former Soviet republics, White House Spokesman Marlin Fitzwater said "American abundance" would help the people get through the winter.

But nearly halfway through the winter there are reports, including in today's WASHINGTON POST, that thousands of tons of nonfat dry milk and wheat are still awaiting shipment at ports in New Orleans and Houston.

However, Baker blamed the slow start on the Soviet distribution mechanism. "It is important we have the proper mechanics for distribution" in the 12 republics, he said.

"Before we send something we need to know that it gets to the people," he added.

Baker leaves on Sunday for Germany and then goes to three Asian republics, Tajikistan, Turkmenia and Uzbekistan, before flying to Moscow to see Russian President Boris Yeltsin.

At the same time, Baker urged the Senate to ratify the START treaty, saying it took ten years to conclude and should be "locked in" even as he holds talks in Moscow on February 15-16 on Bush's proposal for a ceiling of 4,700 nuclear warheads and Yeltsin's call for dropping the total to about 2,500.

The START treaty would leave the United States with some 8,000 to 9,000 warheads and four nuclear republics—Russia, Ukraine, Belarus and Kazakhstan—with about 1,000 fewer.

"Until you have an agreement you don't have anything to ratify," Baker said of the Bush-Yeltsin exchange of proposals.

Senator Joseph Biden said unless an arms control pact with the former Soviet Union is quickly updated, the Pentagon would find ways to retain nuclear warheads to defend the United States.

"There are lots of guys in the basement of the Pentagon looking for new targets for these weapons," Senator Biden said.

### Central Eurasia

#### Kazakhstan Transfers Nuclear Weapons to Russia

OW0602063692 Beijing XINHUA in English  
0458 GMT 6 Feb 92

[Text] Paris, February 5 (XINHUA)—Visiting Russian President Boris Yeltsin said today that Kazakhstan, one of the four nuclear powers of the former Soviet Union, has transferred its tactical nuclear weapons to Russia.

Yeltsin said during talks with French President Francois Mitterrand that tactical nuclear arsenals deployed in Ukraine and Belarus would be shifted to Russia by this summer.

Yeltsin arrived here on Wednesday afternoon for a three-day state visit and was met by Mitterrand at the airport.

Yeltsin and Mitterrand discussed nuclear disarmament and reached consensus on the concept of essential defense and deterrents at the lowest level.

Pierre Morel, foreign affairs counsellor to the president, told reporters after talks that Yeltsin briefed Mitterrand

on "the command system and formula" of nuclear forces of the Commonwealth of Independent States (CIS).

Morel said that Yeltsin emphatically explained the exact meaning of the "policy-making power" shared between the Russian Federation and the headquarters of the joint forces of CIS.

Yeltsin told Mitterrand that the leaders of the four "nuclear" republics of the CIS could hold "emergency consultations" by telephone.

Yeltsin also stressed that the strategic nuclear weapons reduction program would take at least two years to be completed.

Mitterrand said that Franco-Russian relations will enter a new stage and the two countries were no longer potential enemies.

Morel said that the two leaders also discussed the grave economic difficulties facing Russia.

"It is a critical moment for Russia at the end of this winter," Yeltsin said, "and Western aid is very important."

#### Russian Official Calls For Military Buildup

OW0502124492 Beijing XINHUA in English  
1225 GMT 5 Feb 92

[Text] Moscow, February 5 (XINHUA)—A senior Russian defense official has said his country must build up its own military forces to safeguard state interests.

Russian defense advisor K. Kobets' remarks were published today in THE INDEPENDENT newspaper.

Kobets said he believed war could break out among member-states of the Commonwealth of Independent States (CIS), because every CIS nation faced neighboring countries and threats from the outside.

Russia should clearly speak out that it had interests of its own, he said.

Kobets also expressed his concern over the dilemma of Russian officers, calling for safeguards to guarantee political, social and economic rights for all servicemen in accordance with law.

#### XINHUA on Ukrainian President's Nuclear Pledge

OW0502132692 Beijing XINHUA in English  
1249 GMT 5 Feb 92

[Text] Bonn, February 4 (XINHUA)—Ukrainian President Leonid Kravchuk said here today that the Ukraine would continue its disarmament process and will pull out the tactical nuclear weapons on its territory completely by this summer.

Speaking at a press conference at the end of his two-day visit, he said his country would also have strategic nuclear weapons completely withdrawn by 1994, and

would reduce its military personnel to 220,000. Meanwhile, it would repay foreign debts.

Kravchuk said the purpose of his visit was not to ask Germany for something, but to lay a foundation for a partner-like cooperative relationship between the two countries.

A spokesman for the German government said after Kravchuk's meeting with German Chancellor Helmut Kohl today that the two sides agreed to lay a treaty foundation for the establishment of such a partnership.

Germany welcomed the Ukraine's determination to disarm and its proposal to offer land in the south of the Ukraine to ethnic Germans.

Ukrainian Foreign Minister Anatoliy Zlenko, who accompanied Kravchuk to Germany, declared here that the Ukraine would open an embassy in Bonn and issue entry visas to Germans.

#### CIS Naval Chief Rejects Ukrainian Fleet Demand

OW0602062492 Beijing XINHUA in English  
0225 GMT 6 Feb 92

[Text] Moscow, February 5 (XINHUA)—The naval commander of Commonwealth of Independent States (CIS) today dismissed a Ukrainian demand for sacking the head of the Black Sea Fleet and said negotiations over its future had reached deadlock.

At a press conference held here, Admiral Vladimir Chernavin blamed the Ukrainian side for the failure of protracted talks between Russia and Ukraine on dividing the powerful southern fleet.

"I would not call the talks successful. At each step we run into fierce opposition from destructive forces," Chernavin said.

Both sides did not raise the problems of moving the major bases of the fleet and dividing it in the talks, he added.

Ukrainian President Leonid Kravchuk has sought the sacking of Admiral Igor Kasatonov, the fleet's commander-in-chief, for refusing to meet a group of Ukrainian deputies at the fleet's headquarters in Sevastopol last week.

He and Defense Minister Konstantin Morozov see Kasatonov as the main obstacle to the fleet's sailors taking an oath of loyalty to Ukraine, already sworn by most of the former Soviet land forces on its territory.

But Chernavin said, 90 per cent of new recruits to the fleet had taken an oath of loyalty to the Commonwealth, as other strategic forces do, and dismissed reports that most recruits wanted to swear allegiance to Ukraine.

Meanwhile, ITAR-TASS news agency quoted a Ukrainian military expert, General-Lieutenant Ivan Bizhan, as

saying only the strategic part of the nuclear-capable fleet should be under Commonwealth command.

"The rest should become part of the Ukrainian navy", he said, describing Russia's position on the issue as tough.

The dispute over the fleet, as well as disagreements on economic policies, has deepened relations between Russia and Ukraine for the last few weeks.

Chernavin also told the press conference that the nuclear disarmament proposals raised respectively by U.S. and Russian Presidents at the end of January were the "correct steps."

However, he believed the fundamental military shake-up should be placed under "prudent consideration and careful planning" in the wake of the existing possibility of military conflict.

The U.S. and Russian attitudes toward their disarmament proposals are "fundamentally different," he said, adding, "Russia is to destruct all nuclear weapons by the way of gradual and equal arms cutting, while the United States wants only to reduce its strategic offensive weapons."

#### Commander Warns on Provoking Troops in Baltics

OW0502123692 Beijing XINHUA in English  
1217 GMT 5 Feb 92

[Text] Moscow, February 4 (XINHUA)—Troops would no longer be patient if further provocation by Baltic countries could take place, said Valeriy Mironov, commander of Maritime Baltic Military District of the former Soviet Union, today.

Speaking at a press conference, he said the three Baltic countries had approved laws to protect soldiers' rights.

Some unpleasant incidents that could cause conflict had taken place in Latvia and Estonia. He urged the leaders of the three countries to curb such occurrences.

On the withdrawal of the troops from the Baltic countries, the commander said the date of the pullout would depend on the withdrawal procedures of all parties and no date had been set for the completion of the removal.

Mentioning the army had encountered a series of problems arising from the hasty withdrawal from Eastern Europe, Mironov said, "We cannot let troops live in tents."

Security of Russia and the Baltic countries would be taken into account while the safety and welfare of the soldiers and their families should be guaranteed when all problems over the troops were settled, said Mironov, Russian plenipotentiary for troops withdrawal from the Baltic coast.

Russian delegations negotiated with Lithuania, Latvia and Estonia between January 31 and February 2 and agreed on withdrawal from Lithuania in February and from Latvia in March, but they failed to reach any accord with Estonia.



## Southeast Asia & Pacific

### Zhu Rongji To Visit Australia 10 Feb

OW0602114292 Beijing XINHUA in English  
1122 GMT 6 Feb 92

[Text] Canberra, February 6 (XINHUA)—Chinese Vice-Premier Zhu Rongji will visit Australia from February 10 to 17, Deputy Prime Minister Brian Howe announced here today.

Vice-Premier Zhu is the most senior Chinese Government official to visit Australia since 1988 when Prime Minister Li Peng visited the country.

The vice-premier is expected to discuss bilateral trade and economic matters with Australian Prime Minister Paul Keating, Foreign Affairs Minister Gareth Evans, Treasurer John Dawkins, as well as other senior federal and state ministers.

"Given the growing importance of economic links with China, we are pleased to have a visit from such a high-ranking leader," Howe said.

According to Howe, the Chinese vice-premier will visit a number of leading Australian industrial enterprises including coal handling facilities and manufacturing plants. And he will also meet Australian business leaders and have important talks with Telecom (Australia's largest telecommunication company) and the Australian Wool Corporation.

It is also announced that Vice-Premier Zhu will give a talk on Asia-Pacific cooperation to the Asia-Australia Institute in Sydney and another to the China-Australia Business Council in Melbourne on China's economic reform and opportunities for Australia business.

The Chinese vice-premier will leave Australia for New Zealand, the second leg of his tour, on February 17.

### XINHUA Reports Deaths in Bougainville

OW0402040292 Beijing XINHUA in English  
0337 GMT 4 Feb 92

[Text] Canberra, February 4 (XINHUA)—Five people are reported to have been killed in renewed hostilities between secessionist rebels and pro-government villagers on Papua New Guinea's (PNG) island of Bougainville.

A spokesman for PNG's National Disaster and Emergency Service said on Monday that the latest fatalities happened during fighting between the rebel Bougainville Revolutionary Army (BRA) and the Rorovana people at a coastal village, south of the maintown of Arawa.

PNG has sent patrol boats and emergency craft to rescue about 600 villagers who have been caught up in the fighting, according to a report today by the AUSTRALIAN ASSOCIATED PRESS.

The spokesman said the villagers would be taken to safety at the northern village of Wakunai, where PNG troops and locals are working to restore normalcy.

The latest fighting comes less than a week after BRA rebels in Arawa, in central Bougainville, set fire to a ship carrying emergency relief to the strife-torn island, about 800 kilometers northeast of the capital, Port Moresby.

Militant rebels on Bougainville have been waging a secessionist campaign for the last three years. An armed insurgency in 1989 and early 1990 left more than 100 people dead and forced the closure of the giant Bougainville copper mine, which was then the mainstay of the PNG economy.

## West Europe

### Li Peng in Madrid To Hold 'Formal' Talks

#### Li, Qian Attend Reception

OW0502180792 Beijing Central People's Radio  
Network in Mandarin 1030 GMT 5 Feb 92

[Report by reporter Liu Zhenying in Madrid; from the "National Hookup" program]

[Text] Spanish Prime Minister Gonzalez hosted a reception in the Spanish capital of Madrid to welcome Chinese Premier Li Peng on his formal visit to Spain.

Qian Qichen, Li Lanqing, Ma Hong, and Qi Huaiyuan—members of Premier Li Peng's entourage—were present at the reception.

Premier Li Peng and his wife arrived in Spain last night.

After the reception, Premier Li Peng held formal talks with Prime Minister Gonzalez.

#### Li, Gonzalez Meet

CM0602141692 Beijing XINHUA Domestic Service  
in Chinese 1617 GMT 5 Feb 92

[Text] Madrid, 5 Feb (XINHUA)—Chinese Premier Li Peng and his Spanish counterpart Felipe Gonzalez Marquez held formal talks at the Prime Minister's residence in Moncloa Palace here today, exchanging views on a wide range of issues.

Before the formal talks, the two leaders also held one hour of private talks.

Gonzalez began at the formal talks by extending a warm welcome to the Chinese premier and his party.

Li said his Spanish visit would help promote the growth of bilateral relations.

After this, the two leaders had an in-depth exchange of views on a wide variety of subjects including the international situation and bilateral ties.

Given the profound changes taking place in the world, the situation was far from tranquil, Li said.

The gap between North and South had been widened, he said.

The two issues of peace and development which were facing the world, had yet to be solved, he added. And the trend of global multipolarization was accelerating.

Under such a situation, it was a common wish of the people of the world to establish a new international political and economic order, conducive to peace and development, Li said.

Security Council discussions at the recent UN summit had given expression to this point, Li said.

China supported the establishment of a new international political and economic order founded on the Five Principles of Peaceful Coexistence or other similar principles, he said.

The United Nations should play a greater role in this endeavor, he added.

Gonzalez agreed with Li's analysis of the international situation, saying Spain and China should join forces to promote a multipolar world.

The two should support the United Nations in playing a bigger role in international affairs, he said.

Speaking about bilateral ties, Li said that although Sino-Spanish relations had experienced temporary difficulties over the past two years, they had been quickly restored and were now developing momentum.

Noting the two countries had no conflicts of fundamental interest, Li said they shared many identical or similar views on international issues.

The two were economically complementary and there was great potential for a further expansion of bilateral relations, he added.

"We are glad to see that the two countries' economic and trade cooperation is developing in depth. The two agreements signed today and other agreements on some large projects reached between the two sides earlier are a concrete expression of such development," Li said.

For his part, Gonzalez said the great changes and outstanding achievements China had made were a result of reforms and opening to the outside world.

China was a factor for stability in the world, he added.

The Spanish prime minister said he hoped the two countries would further expand cooperation in various areas on the basis of a deepened mutual understanding.

Spanish entrepreneurs were greatly interested in investing in China, and the Spanish Government would positively support them, he said.

Spain was also willing to work hard to improve and expand ties between the European Community and China, Gonzalez said.

He expressed support for resuming China's status as a contracting party in the General Agreement on Tariffs and Trade (GATT).

And he wished China success in its application to host the Olympic Games in the year 2000.

During the meeting, the two leaders also discussed the situation in Venezuela. Li Peng said: "China maintains good relations with Venezuela. I had a cordial meeting with Venezuelan President Perez in New York a few days ago. We are delighted that the Venezuelan Government quickly quelled the military mutiny."

Li Peng invited Prime Minister Gonzalez to visit China again at a convenient time, and the latter expressed gratitude for the invitation.

#### King Juan Carlos Receives Li

OW0502182692 Beijing XINHUA in English  
1809 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—King Juan Carlos I of Spain today met with and gave a banquet in honor of visiting Chinese Premier Li Peng, who is on his last leg of a tour of four West European countries.

The king expressed his warm welcome to the Chinese premier, and Li conveyed to the king best wishes from Chinese President Yang Shangkun.

On behalf of President Yang, Premier Li invited the king and the queen to visit China again at a time convenient to them.

At the king's request, Li Peng outlined the current situation in China as well as China's policies on population and environmental control.

Premier Li Peng is scheduled to fly home tomorrow after visiting Barcelona.

#### Li Meets Spanish Industrialists

OW0502224592 Beijing XINHUA in English  
2234 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—Visiting Chinese Premier Li Peng met with a number of Spanish industrialists, business executives and bankers here today, both sides expressing the hope for increased economic cooperation.

During the meeting, Jose Maria Cuevas, president of the Spanish Confederation of Organizations of Entrepreneurs, recalled his visit to China last March, saying that Li Peng's meeting and talks have increased their confidence in investing in China.



He said the Spanish industrial circles are greatly interested in expanding the two countries' economic and trade cooperation.

The Spanish Government and banks also energetically support the Spanish enterprises to invest in China, Cuevas told the Chinese premier.

He said he believed Spanish-Chinese cooperation will grow continuously.

Javier Salas, president of the Spanish National Institute of Industries, briefed Li on the situation of his organization, which is the largest state-owned industrial group with an annual sales volume of 18 billion U.S. dollars. The institute has several projects in cooperation with China.

Premier Li also visited an exhibition of products of the institute.

Li briefed the Spanish industrialists on China's good economic situation, saying that with the further growth of China's economy, the capacity of the China market will also expand.

He said China's investment environment is improving steadily, with 1991 registering the biggest foreign investment in China.

He welcomed Spanish entrepreneurs to increase their investment in China and hoped that they will take more steps to enable more Chinese commodities to enter the Spanish market.

China's increase of export will certainly result in expanded import, he said.

Li also expressed his belief that there are broad prospects for bilateral economic and trade cooperation.

#### Talks With Parliament Leader

OW0502230092 Beijing XINHUA in English  
2243 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—Visiting Chinese Premier Li Peng met with President Felix Pons of the Spanish Congress of Deputies here today, both expressing the desire to further promote Sino-Spanish relations.

Pons visited China at the head of a delegation last November, during which he met with Li Peng.

Pons described China as a factor for the balance and stability of the world, having a major impact on the world politics and economy.

He said only a stable China can play its due role.

He also said he discovered during his visit to China that the two countries' parliaments have many points in common. He hoped the two sides would strengthen cooperation.

He said Li's current visit to Spain will be crowned with fruitful results and will promote the growth of the bilateral relations.

In reply, Li briefed Pons on his colorful yet compact schedule in Spain today, including formal talks with his Spanish counterpart Felipe Gonzalez, meeting with Spanish King Juan Carlos I, and meeting with Spanish entrepreneurs.

He said China and Spain today signed a cooperation agreement on two projects, involving 360 million U.S. dollars.

"My visit to Spain has proceeded very smoothly," he noted.

#### Trade Agreements Signed

OW0602090092 Beijing XINHUA in English  
0837 GMT 6 Feb 92

[Text] Madrid, February 6 (XINHUA)—China and Spain signed here on Wednesday two trade contracts worth 360 million U.S. dollars.

Under the contracts, China National Technical Import and Export Corporation will import equipment and technology worth 320 million dollars from Spanish Techica Reunidas S.A.

Spain's Alcatel Standard Electrica will also export digital telephone switching equipment worth 40 million dollars to China National Instruments Import and Export Corporation.

These contracts were signed during Chinese Premier Li Peng's official visit to Spain.

#### Qian Qichen Holds News Conference in Madrid

##### Terms Tour 'Successful'

OW0502194592 Beijing XINHUA in English  
1921 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen today described Premier Li Peng's current Western Europe tour as "successful" and "fruitful."

Speaking at a press conference here this afternoon, Qian said the Chinese premier's official visit to Italy, Switzerland, Portugal and Spain is helpful to the improvement and development of China's relations with these four countries and the European Community.

Qian said the Chinese side and the four West European countries have increased their mutual understanding through exchanging views between their leaders on bilateral ties and international issues of common concern.

The issue of Macao serves as a link between China and Portugal, he said. Li Peng's visit to Portugal is helpful to

the implementation of the Sino-Portuguese joint declaration on Macao, and is conducive to the stability and development of Macao.

Qian also mentioned some results of the visit, such as agreements reached between China and West European countries during Li's current visit, including a Sino-Italian cooperation agreement on an ethylene project in Guangzhou, south China, involving 150 million U.S. dollars; a Sino-Portuguese investment protection agreement; a Sino-Spanish agreement on an iron and steel project in Wuhan, central China, involving 320 million U.S. dollars; a Sino-Spanish agreement on a telephone project, involving 40 million U.S. dollars, and a Sino-Spanish investment protection agreement to be signed Thursday.

#### Views Relations With EC

OW0502195192 Beijing XINHUA in English  
1923 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that both China and the European Community can play a positive role in a multi-polarized world.

Speaking at a press conference here, Qian said the E.C. is China's second largest trade partner, following Japan.

On the part of China, there is no obstacle to the growth of its ties with the E.C., he said.

There may be some differences on certain questions, "but, we can seek common ground while reserving differences," he noted.

The minister also said Hong Kong and Macao can serve as "links" and "windows" in strengthening China's ties with Britain, Portugal, and the E.C. as a whole.

#### Discusses GATT Membership

OW0502200492 Beijing XINHUA in English  
1952 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today resumption of China's status of contracting country in the General Agreement on Tariffs and Trade (GATT) is conducive to China's policy of opening to the outside world and to the completion of the world trade system.

In response to a question at a press conference, Qian said China is prepared to re-take its status of contracting country in the GATT. That means China will perform relevant obligations and should enjoy rights and interests accordingly.

He said during Li Peng's current visit to Italy, Switzerland, Portugal and Spain, the premier has discussed the issue of resuming China's status in the GATT with leaders of the four countries. These countries have all expressed support to China on this matter.

He also said a GATT working group will meet on February 13 and 14 to discuss China's status in the organization.

#### Calls for 'Friendly' CIS Ties

OW0502204092 Beijing XINHUA in English  
2014 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—China hopes to maintain friendly relations with the republics of the former Soviet Union on the basis of the Five Principles of Peaceful Coexistence, Chinese Foreign Minister Qian Qichen said here today.

Speaking at a press conference here, Qian said Sino-Soviet relations were normalized in 1989.

As a neighboring country, he said, China does not hope to see the disintegration of the Soviet Union. However, it has become a fact, he added.

China respects the choice of the people of the former Soviet Union, he said. Therefore, China has recognized all countries that have declared independence, and has established diplomatic relations with nine of these countries.

Because of lack of stability in the situation in three other countries, Qian said, China has not yet established diplomatic ties with them.

He mentioned in particular the four countries that share borders with China. It is of great importance to establish good-neighborly relations with them, he noted.

#### Denies Sales of Missile Technology

OW05022205992 Beijing XINHUA in English  
2043 GMT 5 Feb 92

[Text] Madrid, February 5 (XINHUA)—Chinese Foreign Minister Qian Qichen dismissed a foreign press report on China's sale of missile technology, saying that it is "false."

Asked to comment on a report that China had sold missile technology to Pakistan and Syria, Qian told a press conference here today that "about this information, U.S. Secretary of State James Baker also said he did not know."

#### Views Security Council Summit

[Editorial Report] Beijing XINHUA Domestic Service in Chinese at 0307 GMT on 6 February transmits a report on Qian Qichen's Madrid news conference. The XINHUA Domestic version adds the following to the foregoing XINHUA English reports: "On the Security Council summit held at the end of last month, Foreign Minister Qian said: The meeting contained a comprehensive discussion on the current situation. Although the participating countries hold different views on some issues, there is a consensus among them on three points. First, the present world is not tranquil, and a threat to peace still exists. Second, an important factor is the

economic gap between South and North, which is widening, making it difficult to solve the question of development. Third, under the new circumstances it is necessary to let the United Nations, its Security Council, and its secretary general play a greater role. All participating countries expressed their support for newly elected Secretary General Ghali."

#### 'Roundup' on Li's Trip to European Nations

OW0602141792 Beijing XINHUA Domestic Service  
in Chinese 0842 GMT 6 Feb 92

["Roundup" by reporters Zhao Zijian (6392 1311 0256) and Zhu Yunlong (2612 0061 7893): "A Trip of Peace, Friendship, and Cooperation"]

[Text] Madrid, 6 Feb (XINHUA)—Premier Li Peng and his party successfully have concluded their formal visits to Italy, Switzerland, Portugal, and Spain. They will leave Spain for home with the friendship of the governments and peoples of the four countries toward the Chinese Government and people. Those visits have deepened the mutual understanding between China and these countries and promoted the further improvement and development of the bilateral relations between China and these countries.

Premier Li Peng has said that the main purpose of his trip was to promote "peace, friendship, and cooperation." The results of the visit show that the goal has been attained.

Premier Li Peng's visit took place against a backdrop of a profoundly changed world situation, particularly the change of situation in Europe. Leaders of Italy, Switzerland, Portugal, and Spain have been increasingly concerned about the turbulent and unpredictable situation in Europe. One of the consensus reached between the guests and hosts during the visits was that it is important for both Chinese and leaders of the four countries to hold consultations over international issues and that such consultations will benefit peace and stability in the world.

During the talks, Premier Li Peng pointed out that the world is neither stable nor peaceful; the situation is turbulent, and the future is hard to predict. Both China and Western Europe are concerned about the profound changes in the world, and it is in the common interests of both sides to promote the development of world situation in the direction of peace and stability. Premier Li Peng expounded the stand of Chinese Government on the problem of the establishment of a new international order. He stressed that the five principles of peaceful coexistence and other similar principles should become the basis for establishing a new international order.

"We come here for friendship" is an important message that Premier Li Peng and his party conveyed to the

peoples of Italy and other three countries. Premier Li Peng met with the heads of state, government leaders, parliamentary speakers, party, organization leaders, and other personages from political circles. During his many meetings, Premier Li Peng repeatedly pointed out that differences in social system and ideology should not hamper the development of dialogue and cooperative relationship between states. Despite great changes in international situation, there is no conflict of basic interests between China and Western Europe and both sides have important common interests.

The visit of Premier Li Peng has deepened the consensus between China and these four countries over this issue. Italian Foreign Minister de Michelis said that the visit of Premier Li Peng not only marks the full normalization of the Italian-Chinese relations but also points to the further development of relations with China. At a welcoming banquet, Portuguese Premier Silva said that the visit of Premier Li Peng to Portugal "has provided a new opportunity for further increasing exchanges."

High on the agenda of Premier Li Peng's European trip was further expansion of the economic and trade exchanges between China and Western Europe on the basis of equality and mutual benefits. The governments and industrial and commercial circles of these four countries have expressed strong interest over this. Of the four countries, Italy has, next to Germany, become China's second largest trading partner in Western Europe. When welcoming Premier Li Peng on 28 January, Italian industrial and commercial circles asked a lot of questions about the possibilities of increasing economic and trade cooperation with China. Premier Li Peng gave rather concrete replies to every question. Jean-Pascal Delamuraz, head of the Swiss public economy department, told Premier Li that he plans to lead a high-level economic delegation to China in July. The Chinese side said that China will send a large purchasing group to Europe this year. In Portugal, China and Portugal signed an investment protection agreement on the occasion of Premier Li's visit. Spanish Prime Minister Gonzales said that Spanish entrepreneurs are very much interested in investing in China and that the Spanish Government greatly supports their stance.

During his European trip, Premier Li Peng emphasized again and again that China's reform and opening policy, initiated by Comrade Deng Xiaoping, not only will not be changed, but will be further deepened, and the pace of reform will be accelerated. The government will continuously reduce interference in enterprises' economic activities. State-run enterprises will gradually transform operation mechanism, become more market-oriented, introduce competition mechanism, and accelerate technical transformation. To that end, China needs to develop the economic and trade relationship with countries in Western Europe and import their technology and equipment. He also said that China is a big market. He

expressed the hope that economic circles from Western Europe will take part in the competition in China. Various circles of Western Europe welcome and attach importance to the above message of Premier Li Peng.

When commenting on Li Peng's visit and the current policy of the Chinese Government, Western European news media pointed out that strengthening and developing relations with China has become a great tide.

Premier Li Peng's visit will not only help China increase understanding and strengthen cooperation with Italy, Switzerland, Portugal, and Spain, but also promote the development of friendly and cooperative relations in many areas with various countries in Western Europe and other countries in the world; his visit will surely produce a positive influence on peace, stability, and development in the world.



## Political & Social

### Leaders Accentuate Reform in New Year Messages

HK0602061292 Hong Kong SOUTH CHINA  
MORNING POST in English 6 Feb 92 p 6

[By Geoffrey Crothall in Beijing]

[Text] China's President, Mr Yang Shangkun, has given his powerful backing to calls from the liberal wing of the Government to speed up China's languishing economic reform programme.

In a New Year's message to government leaders in Shanghai, Mr Yang urged the city to take faster and bolder steps in the reform process and turn Shanghai into an international trade and finance centre.

"Shanghai is a centre of science and technology and as such should make greater efforts to speed up reform and economic development," Mr Yang was quoted by yesterday PEOPLE'S DAILY [RENMIN RIBAO] as saying.

In other developments, senior leader Mr Deng Xiaoping made a rare television appearance this week being seen with Mr Yang on Monday's evening news greeting Shanghai Government leaders and veteran Communist Party workers at a Lunar New Year's Eve reception at the city's party headquarters.

Mr Deng appeared alert and walked unaided but sources at the reception said the 87-year-old patriarch only stayed a few minutes before being escorted away by his security detail.

In his speech on Tuesday, Mr Yang briefed Shanghai leaders on his recent visit to Guangdong's special economic zones, saying the zones had achieved great success in attracting foreign investment and technology.

Mr Yang's comments on the need to accelerate reform were echoed by other government and Communist Party leaders, such as premier Mr Li Peng and General-Secretary Mr Jiang Zemin, in their Lunar New Year's messages.

Hardline leaders such as Mr Chen Yun and Vice-President Mr Wang Zhen were noticeably absent from public view during the Lunar New Year celebrations, prompting speculation that the conservative faction had been neutralised by Mr Deng's recent reform offensive in Guangdong and Shanghai.

Alternatively, observers say it may just be that the two octogenarians are simply too ill to counter the reformist wing of the party. Mr Chen who is believed to be resting in Hangzhou has not been seen in public for almost a year while Mr Wang, who is suffering from cancer, has been in hospital since November.

### Tian Jiyun, Yang Rudai Mark Spring Festival

OW0402193392 Beijing XINHUA Domestic Service  
in Chinese 1538 GMT 4 Feb 92

[Excerpts] Beijing, 4 Feb (XINHUA)—The people of all nationalities throughout the country have celebrated a joyful, harmonious, and simple Spring Festival this year. [passage omitted]

Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, attended an Army-civilian soiree in Guangzhou on 2 February. Cosponsored by the Guangdong provincial party committee, the provincial government, and the Guangzhou Military Region, the soiree was attended by nearly 2,000 local workers, peasants, veteran Red Army cadres, combat heroes, families of Army soldiers and revolutionary martyrs, model workers, and representatives of the ground, naval, and air forces and public security, armed police, and border defense units stationed in Guangzhou. Yang Rudai, member of the Political Bureau of the CPC Central Committee and secretary of the Sichuan provincial party committee, visited Chengdu No. 6 waterworks in Pixian County today to express appreciation to workers and cadres who stood fast at their posts during the festival. He also visited Jinniu District in Chengdu City to extend Spring Festival greetings to rural peasants. Other leaders of the Sichuan provincial party committee and the provincial government went to schools, factories, rural villages, and research institutes to pay courtesy calls on experts, scholars, workers, and peasants; they also attended discussions with experts, scholars, and professors and heard their suggestions for applying science to rejuvenate Sichuan. Some leaders went to disaster-stricken villages to review their arrangements for everyday life when disasters strike and to help them solve practical problems. [passage omitted]

### Wu Xueqian Visits Beijing Great Wall Hotel

OW0502142692 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 4 Feb 92

[From the "National News Hookup" program]

[Text] Vice Premier Wu Xueqian today visited restaurants in Beijing to greet tourism workers who work over the holidays, and to wish workers of the nation's tourism industry a happy Chinese New Year.

When he visited the Beijing Great Wall Hotel, which has just won the honor of being named one of the best hotels operated by the Sheraton Hotel Group in Asia, Vice Premier Wu Xueqian visited the workers in the laundry room, kitchen, reception counter, switchboard room and cafeteria. He also extended his cordial regards to foreign workers working in the hotel. [Video shows Wu Xueqian, accompanied by hotel officials, shaking hands with hotel workers; shots of kitchen workers applauding; Wu Xueqian visiting laundry workers, dining with hotel officials, and shaking hand with a foreign chef, and shots

of Wu Xueqian addressing hotel workers. He is heard saying, in part: "...I hope you will achieve even greater success."]

#### Article on Leadership's Views on Reform

HK3101071392 Hong Kong CHING PAO in Chinese  
No 185, 5 Feb 92 pp 28-31

[Article by Liu Pi (0491 1801): "Deng Stops Full Restoration of Mao's Ideas, Li Peng States That Bigger Step Will Be Taken in Reform in 1992"]

[Excerpts] Deng Liqun recently held forth about "peaceful evolution" and Deng Xiaoping pointed out: "Deng Liqun wants to fully revive Maoist ideas by taking advantage of opposing 'peaceful evolution.'"

Jiang Zemin recently said: Economic structural reform in 1992 must make great strides. Li Peng has said: Economic structural reform must not only make great strides but also increase volumes.

This article will reveal who is the genuine third power in the CPC.

#### Deng Xiaoping Stopped Full Revival of Maoist Ideas

Toward the end of 1991, two noteworthy things occurred on the Chinese political scene. One, Qin Chuan, National People's Congress [NPC] Standing Committee member and former RENMIN RIBAO director, openly criticized RENMIN RIBAO at the 23d Session of the Seventh NPC Standing Committee for "having opposed for a very long time Comrade Deng Xiaoping's reform and opening up line." China Central Television Station covered the event with muted pictures, which drew a great reaction. RENMIN RIBAO workers praised their former boss for "still being very much in his prime."

Another one was that Deng Liqun, "part-time general secretary," vigorously advocated "opposing peaceful evolution" in media under his control under the cover of discussing the "craze for Mao Zedong." He said: Comrade Mao Zedong was the earliest one to warn us of "peaceful evolution" and proposed the strategic mission of preventing "peaceful evolution;" he was the only Marxist strategist to have ever prophesied what is currently happening in East Europe and the Soviet Union. It was Comrade Mao Zedong who laid a Marxist foundation for preventing "peaceful evolution." Deng Liqun said that the current "Mao Zedong craze" was charged with a nostalgic mood of youth. "Nostalgia" here refers to the youth's discontent with current corruption, abuse of power, and their inability to change things; they have therefore transported their feelings to the past and the 1950's. However, most youths today were not even born in the 1950's. How could they be nostalgic for this age? In fact, the one who was nostalgic for it was Deng Liqun. His discussion of the "Mao Zedong craze" was published in the form of answering the questions of a ZHONGLIU [MIDSTREAM] magazine reporter. By the time it was published in the 12th edition of ZHONGLIU in 1991, it

had been carried by GUANGMING RIBAO, XINWEN CHUBAN BAO [NEWS PUBLISHING POST] and others newspapers.

According to informed sources, Deng Xiaoping made the following comments on Deng Liqun's address: "Deng Liqun wants to fully revive Maoist ideas by taking the advantage of opposing peaceful evolution." As is well known, China's 10 year-reform and opening up began with a new appraisal of Mao Zedong. Both the Third Plenary Session of the 11th CPC Central Committee and the "Resolution on Certain Historical Problems" pointed out the mistake of Mao Zedong's ultraleftist line. A full revival of Maoist ideas means in effect a denial of the reform and opening up line of the last decade, a reversal of the wheels of history, and a retrogression.

#### Three Rounds in Which Deng Xiaoping Reversed "Opposing Peaceful Evolution"

After 4 June, the leftist forces within the CPC tried to replace the 13th Party Congress basic line of economic construction as the center with a class struggle line spearheaded with opposing "peaceful evolution." Deng Liqun had spoken openly in public about "the capitalist roaders still walking," and "capitalists being right within the party" and that "the nine commentaries are correct and continue to await new evaluations."

After the CPSU declaration renouncing Marxism last July, the CPC publicly put forward opposing "peaceful evolution"; after the Soviet "19 August" coup, "opposition to peaceful evolution" apparently became an established CPC policy. But what deserves careful thought is that the real power wielder in the CPC, Deng Xiaoping, in his statements on "building socialism with Chinese characteristics" has never, over the last 10 years or so, mentioned "opposing peaceful evolution." Instead, he did mention "valuing harmony highly." For a very long time after the "19 August" coup, Deng Xiaoping did not make any public statements. He had been alarmed by the serious disruption and antagonism generated by "opposing peaceful evolution" against the 13th Party Congress basic line of "one center, two basic points."

Against the "opposition to peaceful evolution," Deng Xiaoping's first concrete move was inviting General Secretary Jiang Zemin after last year's "1 July" party anniversary day to talk about his views. Deng Xiaoping told Jiang Zemin: As early as 1986, I said that if the Soviet Union pursued only political reform without economic reform, there would certainly be chaos. Jiang Zemin was taken aback by Deng Xiaoping's remark, saying: Did Comrade Xiaoping say that? I do not know. By then a secretary had brought a copy of Deng Xiaoping's 1986 address and, speaking to Jiang Zemin, Deng said: You were at the vice-ministerial level; you should have read it....

Deng Xiaoping made a second move on 25 September last year. During a CPC Central Committee work conference, he invited Jiang Zemin and Yang Shangkun and pointed out that the party basic line took economic

construction as the center, that the policy of taking science and technology as the primary productive force had not been enforced in practical work, and that there should be less talk about "opposing peaceful evolution," or it should be talked about among leading cadres and not to the masses. Some of these statements were successively conveyed to the whole party and people by Jiang Zemin and Yang Shangkun at a Central Committee work conference and a rally commemorating the 80th anniversary of the 1911 Revolution. Jiang Zemin also openly criticized RENMIN RIBAO at the Central Committee work conference for stressing only "opposing peaceful evolution" and thus failing to comprehensively and accurately propagate the party's basic line. At an October CPC Central Committee work conference, Jiang Zemin suggested that "opposing peaceful evolution" from then on should be confined to within leadership groups at or above provincial level and should not be mentioned to cadres below that level. Deng Xiaoping also told Li Ruihuan: "Media propaganda must try to limit mentioning 'opposing peaceful evolution.'"

The "25 September" talk had been somewhat held back by RENMIN RIBAO as an opinion front. But Deng Xiaoping had thus made himself a target of the leftist power struggle and this explains Deng Liqun's talk about "opposing peaceful evolution" under the cover of the "Mao Zedong craze." But all Deng Xiaoping needed was a back slap to hit Deng Liqun at his weakest. The talk may be taken as the third round. [passage omitted]

#### 1992 Economic Reform Must Make Great Strides

After the national planning conference, the national financial work conference, and the national conference for enterprise technological progress, a fourth important meeting, the national economic structural reform conference, also opened. On 6 January, Central Committee General Secretary Jiang Zemin made the following instruction to the conference: "1992 (economic) structural reform must make great strides." Premier Li Peng said at the conference: "Structural reform in 1992 must not only make great strides but must also increase in volume." A renowned economist made an objective evaluation of the trend of 1992 economic structural reform: "Reform is now basically irreversible." [passage omitted]

#### Jiang Zemin Has Good Relations With Experts and Scholars

Comparatively, Jiang Zemin has more contacts with economists and the atmosphere of meetings is more amiable. Before the Eighth Plenary Session, Jiang Zemin invited 13 economists to state their views. The economists told him everything they had on their minds and what they thought were the causes of the Soviet and East European decline: 1) their economies crumbled because there had not been economic reform; and 2) corruption. But the double-track system and enterprise contracts China pursued before 1988 also resulted in three major economic as well as social problems: 1) inflation; 2)

unfair social distribution; and 3) corruption. These were also fundamental causes of the 1989 democratic movement. The three problems still exist, and the only solution lies in making great strides in establishing a market economy.

#### The Up Side and Down Side of the 1992 Mainland Economic Trend

The biggest worry for mainland economic reform is the consequences of high levels of savings. Citizens' savings are now growing at an annual rate of 15 billion yuan. Credit for state-run large and medium-sized enterprises' now rely mainly on people's savings, which explains why there has not been inflation. But this is exactly what economists are worrying about. Because fluctuations are often triggered by psychological factors, once people start spending their savings, inflation will immediately ensue.

#### Who Is the Genuine Third Power in the CPC

There is an institution which specializes in the study of securities and stocks. Its members include Wang Bingnan's and Zhang Wenjin's sons, Chen Yong's son-in-law, and others, all of whom studied in America. They gave up their bourgeois-level income in America—\$50,000 to \$60,000 per year—and returned to China. They rejected state wages and earned their income solely from their consultancy. They have experimented and invested in stocks in Shanghai, Shenzhen, and Beijing and are highly valued by high-ranking leaders. The institution recently merged into the State Commission for Restructuring the Economy, and Chen Yi's second son, Chen Xiaolu, is ready to join it. There are reports that they are the real third power within the CPC.

#### QIUSHI Article on Following Socialist Path

HK2801135092 Beijing QIUSHI in Chinese No 24, 16 Dec 91 pp 41-44

[Article by Guo Dehong (6753 1795 1347), deputy editor in chief of ZHONGGONG DANGSHI YANJIU (STUDY OF CPC HISTORY): "Follow Road to Socialism With Chinese Characteristics, Open Up New Situation in Modernization"]

[Text] It has been the central objective of the party, since the Third Plenary Session of the 11th CPC Central Committee, to lead the people of all nationalities in China to take the road to socialism with Chinese characteristics and to open up a new situation in modernization. The result of our practical work has proven that this is a correct path. Our achievements during the last 10 or more years have attracted worldwide attention.

Why do we need to follow the road to socialism with Chinese characteristics? Generally speaking, this is because each country has its own national conditions; there is no unified formula of socialism for anyone to follow. When Marx and Engels founded the theory of scientific socialism, they merely created general guiding



principles for developing socialism. They did not, and could not, supply a ready-made pattern to be used for specific development in every nation. Besides, their concept of socialism was established on the foundation of a developed capitalist society. Yet, applications afterward showed that socialism scored its early victories in backward countries. Therefore, the way to build socialism is to let the communists of individual nations follow the general principle of socialism, make creative exploration in light of the reality of the individual country, and open up the road to socialist construction with national characteristics. China was originally a semicolonial, semifeudal society. Its economy and culture were extremely backward, and its foundation weak. Moreover, it had a large population and uneven development in different regions. Building socialism in such a backward oriental country was doubly difficult. We had to find a unique line of thinking. Lenin said after the October Revolution that revolution in nations in the orient, where the populations were large and social situations were most complicated, would undoubtedly have "more characteristics." (*Collected Works of Lenin*, Vol 4, p 692) In both revolution and construction these "characteristics" must be taken into consideration. Hence, building socialism with Chinese characteristics is a major issue to be solved which socialist practice has given the Chinese Communists.

Also, taking the socialist path with Chinese characteristics is a basic conclusion which the party has drawn after summing up historical experiences in protracted revolution and construction. Certainly, in carrying out revolution and construction all countries must take Marxism as a guide and, moreover, in light of the reality in their own countries, combine the basic tenets of Marxism with the specific reality of the nation. In this respect, our party has accumulated profound experiences and lessons. In the late 1920's and early 1930's, some people, represented by Wang Ming, dogmatized Marxism and committed the leftist error of treating the resolutions of the Communist International and Soviet experience as if they were divine. They almost pushed China's revolution into an impasse. Other communists, represented by Mao Zedong, integrated the basic tenets of Marxism with China's specific reality, persistently followed our own path, and found a revolutionary path with Chinese characteristics, a path of encircling the cities from the rural areas. Only then did China's revolution march step by step to victory. After the nation was founded, because of the lack of experience, when we set up our socialist system, we could not but copy some of Soviet experiences and work methods. As was proven by our practice, these experiences and work methods did not always suit China. Therefore, starting from 1956, the party began to explore a path of socialist construction that suited China's reality. In his famous talk "On the Ten Major Relationships," Mao Zedong warned us about the Soviet experience and proposed a series of correct principles for socialist construction that suited the condition of our country. Unfortunately, because of the subsequent development of leftist ideology, no one was able to

continue with this type of exploration. There was a lack of correct understanding of China's specific reality, or China's national situation, and we did not have a correct understanding of the basic tenets of Marxism on socialist society. Instead, for a long time we made a dogmatic interpretation of the thesis and ideas mentioned by Marx, Engels, and Lenin. The result was the major mistakes of launching the "Great Leap Forward" and the "Great Cultural Revolution," which caused serious damage to China's socialist construction.

After the Third Plenary Session of the 11th CPC Central Committee was held, the party thoroughly corrected all the leftist mistakes that had existed for a long time before and during the "Great Cultural Revolution," and shifted the focus of party work onto socialist modernization. Once again, the party had to face the issue of how to build socialism by taking China's reality into consideration.

In March 1979, at the meeting of the CPC Central Committee Political Bureau, Deng Xiaoping proposed the idea of taking the path of building Chinese-style socialism. Again, at the forum on the principles for the party's theoretical work on 30 March, he further pointed out: "In our democratic revolution, we had to act in accordance with China's specific situation and followed the path discovered by Comrade Mao Zedong of encircling the cities from the rural areas. Now, in our national construction, we must likewise act in accordance with our own situation and a Chinese path to modernization." (*Selected Works of Deng Xiaoping*, 1975-82, p 149) He said that in order to realize the four modernizations in China, we must first pay attention to at least two important characteristics: First, we are starting from a weak base. Second, we have a large population but not enough arable land. He appealed to the whole party and asked everyone, while upholding the four cardinal principles, to truly emancipate their minds and apply the basic tenets of Marxist-Leninism-Mao Zedong Thought in studying the new situation and solving new problems. After that, Deng Xiaoping and other proletarian revolutionaries of the older generation emphasized and expounded, many times, the idea of paying attention to the nation's reality and finding a Chinese path to modernization. Meanwhile, the party proceeded to set things right in all areas and to earnestly summarize its historical experiences. It corrected the leftist errors that had rampaged for a long time, and also corrected the then already emerging rightist ideological trend opposing the four cardinal principles, thus initiating the healthy pace of reform and opening up. In June 1981, at the Sixth Plenary Session of the 11th CPC Central Committee, the party adopted the "Resolution on Several Historical Problems Concerning the Party Since the Founding of the Nation" and thus completed, in terms of guiding ideology, the work of setting things right. The resolution clearly pointed out that China's socialist system was still at "the initial stage" and it made a preliminary summary of the 10 essential points concerning the road to socialist modernization that was suitable to China's situation. In September 1982, Deng Xiaoping spoke at the opening



ceremony of the 12th National Party Congress and made a scientific conclusion of the explorations since the Third Plenary Session of the 11th CPC Central Committee. He said: "In carrying out our modernization program we must proceed from Chinese realities. Both in revolution and construction, we should also learn from foreign countries and draw on their experience. But the mechanical copying and application of foreign experience and models will get us nowhere. We have had many lessons in this respect. We must integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build a socialism with Chinese characteristics—that is the basic conclusion we have reached after summing up long historical experience." (*Selected Works of Deng Xiaoping*, 1975-82, pp 371-372) Centering around the key issue of building socialism with Chinese characteristics, the party comprehensively discussed at the 12th National Party Congress China's economic development strategy from the 1980's to the 1990's. The party explained how, while taking economic construction as the focus, to further strengthen the construction of socialist spiritual civilization, democratic politics, and the legal system, as well as how to turn the party into a strong nucleus for leading socialist modernization. After the 12th National Party Congress the party again issued a series of important documents, such as the "Decision Concerning Reform of the Economic Structure" adopted at the Third Plenary Session of the 12th CPC Central Committee and the "Resolution on Guiding Principle for Building of Socialist Spiritual Civilization" adopted at the Sixth Plenary Session of the 12th CPC Central Committee. In addition to this important decision and resolution, Deng Xiaoping and other comrades continued to provide many important interpretations on such issues as how to correctly understand and build socialism. These interpretations continuously enriched and developed the contents of the path to build socialism with Chinese characteristics. In practice, economic construction thrived and grew, and the reform and open policy was fully implemented. The situations in all areas were good. By 1985, the Sixth Five-Year Plan was totally completed.

Of course, the opening up of the new situation in socialist modernization has not always been without problems. During exploration and the forward march, there were mistakes and detours. Because the principal comrade in charge of the party Central Committee at the time was too eager to achieve success in economic construction and because he was not persistent enough in upholding the struggle against bourgeois liberalization, by the fourth quarter of 1984 there was an overheated economy; and at one time during the end of 1986, the ideological trend of bourgeois liberalization ran rampant. There was student unrest in some cities. The party resolutely rectified these errors and, on the basis of summing up successful experiences and errors committed during this period, comprehensively analyzed, at the 13th National Party Congress in October 1987, China's national conditions, systematically expounded the theory on the initial stage of socialism, and provided

a fundamental basis for the formulation of the correct line, principles, and policies for building socialism with Chinese characteristics. On this basis, the party formulated the basic line of building socialism with Chinese characteristics, namely, adhering to economic construction as the center, upholding the four cardinal principles and upholding the reform and open policy, i.e., "one center, two basic points." (Of course, we should point out that since the Third Plenary Session of the 11th CPC Central Committee, the party has always been upholding this basic line.) At the congress the party also summarized the 12 scientific theories and viewpoints that had been enriched and developed since the Third Plenary Session of the 11th CPC Central Committee. This showed that the party had acquired a deeper understanding and specific knowledge on the issue of building socialism with Chinese characteristics.

However, because of the serious errors of the principal leaders of the party Central Committee at the time, the correct line was not thoroughly implemented and executed. The building of spiritual civilization, party construction, and ideological and political work were seriously neglected. As a result, the ideological trend of bourgeois liberalization ran rampant once again. The situation worsened. Finally, this led to the political turmoil which occurred in late spring and early summer of 1989. In the course of economic construction, reform, and opening up, the guiding idea of being anxious for quick success caused the economy to continuously become overheated in 1988. There was obvious inflation. At the Third Plenary Session of the 13th CPC Central Committee, the party could not but make the decision to rectify the economic order and improve the economic situation. It was this negative experience that taught the party a lesson. From this lesson the party has acquired a more comprehensive and profound understanding of the issue of building socialism with Chinese characteristics. After the Fourth Plenary Session of the 13th CPC Central Committee, the new party Central Committee with Jiang Zemin as the core decided to uphold what was right, correct what was wrong, and perfect what needed to be improved. Politically, the party resolutely launched the struggle against bourgeois liberalization and against "peaceful evolution," conscientiously stepped up party construction and ideological and political work. Economically, it proceeded persistently with improvement and rectification, continued to deepen reform, and extended the degree of openness to the outside world. This helped the party and state tide over the difficult period swiftly and achieve successes in all areas. By the end of 1990, the Seventh Five-Year Plan was victoriously completed and the first-step strategic target of the three-step strategy planning worked out by the party was successfully reached.

After summarizing the positive and negative experiences of the last 10 or more years, at the Seventh Plenary Session of the 13th CPC Central Committee held in December 1990, the party adopted the "Proposal for

Formulating the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" and summed up 12 basic principles for building socialism with Chinese characteristics. These 12 basic principles have made the basic line of "one center, two basic points" more concrete. They embody the basic principle of socialist society, correspond to China's present situation, and possess Chinese characteristics. This helps us define more clearly the fundamental outline for building socialism with Chinese characteristics. On 1 July this year, Comrade Jiang Zemin spoke at the ceremony celebrating the 70th anniversary of the founding of the Chinese Communist Party. In his speech he further explained the basic principles for building socialist economy, politics, and culture with Chinese characteristics, and the lines of demarcation in applying these policies. His speech helped the entire party and all the people in the country understand more clearly the questions of why and how socialism with Chinese characteristics can be built. We may say that a dozen or so years ago, we were still not too clear about these questions, but we understand them better now.

From the history since the Third Plenary Session of the 11th CPC Central Committee, we can see that although there have been some complications in this period, the party has always been able to promptly correct deviations, solve problems, and acquire new experiences. Practice promotes the development of theory, and theory provides guidance for practice to go forward. The 13-year history has fully proven this. The line, principles, and policies of the Third Plenary Session of the 11th CPC Central Committee are correct. The road to building socialism with Chinese characteristics is correct. It is because the party upholds the path to socialism with Chinese characteristics and formulates correct lines, principles, and policies that we have been able to open up swiftly a new situation in socialist modernization and achieve prominent successes in all areas.

Economically, all industries have had balanced development. The output of major industrial and agricultural products have increased substantially and even redoubled, comprehensive national power has obviously strengthened, and people's living standard has markedly improved. From 1980 to 1990, the Sixth and Seventh Five-Year Plans, one after another, were successfully fulfilled. The gross national product has increased 1.36 times, an average increase of 9 percent annually, and the national income has increased 1.31 times, an average increase of 8.7 percent annually. This is much higher than the average world's economic growth rate of between 3 and 4 percent. Our growth rate is the highest among large nations. During this period of time, the total industrial output value increased 2.3 times, an average increase of 12.6 percent a year. The total output value of agricultural society increased 2.6 times, an average increase of 13.7 percent a year. China's world ranking in the outputs of major industrial and agricultural products has risen substantially. For instance, in the production of grain, cotton, pork, beef, mutton, cloth, raw coal,

cement, and television sets, China has already ranked number one in the world. The outputs of steel, chemical fibers, electrical energy production and nonferrous metals have risen from fifth, sixth, and seventh places to fourth place in the world. Because China has a large population, the amounts of goods possessed per capita remain relatively low, but it is obvious that the overall economic power of the nation has been strengthened. People's lives have definitely improved along with economic development. In 1990 the average consumption standard of all people, from both urban and rural areas, was 714 yuan; after allowing for price increases, this represents an increase of 80 percent over 1980 and an average increase of 5.9 percent a year. This is obviously higher than the 2.6 percent yearly growth rate in the previous 28 years. Today, most of the places in China have basically solved the problem of having adequate clothing and food, and some of the places have begun to move up to the level of comfortable living. In short, the last 10 or more years saw the fastest growth in the 40-odd years since the founding of the PRC in terms of economic and social growth rates, as well as the speed of improving the people's living standard.

Politically, all policies have been implemented and social relations have been regulated. The people's democratic dictatorship based on the leadership of the working class and the worker-peasant alliance has been further strengthened. The system of people's congresses and the system of multiparty cooperation and political consultation under the leadership of the Communist Party are able to develop under the new historical condition. The party and state have improved their leadership. The construction of democracy and the legal system have gradually improved. The patriotic united front has further expanded. The political situation marked by stability and unity has been further consolidated. The socialist system has new development.

We have made outstanding achievements in the spheres of science, education, culture, and hygiene. During this period we accomplished more than 110,000 scientific and technological achievements, and over 1,700 inventions were awarded by the state. There have been new breakthroughs, especially in high-energy physics, computer technology, carrier rocket technology, and satellite communications technology. Some have reached or are close to the world's advanced level. In education, 76 percent of all counties, a rise from 20 percent, have implemented compulsory primary school education. Most of the cities have extended the compulsory education system to junior high school. Higher education and other types of education have had rapid development. People's cultural lives have become richer and more colorful. Hygiene and health services have become more widespread and common.

The implementation of the reform and open policy has particularly served to eradicate some of the defects in the original system, broken down the structure or pattern that has restricted the development of productive forces, and mobilized the initiative in all areas. This fills

socialist economy and politics with vitality and energy and opens up a great future for the development of modernization.

These immense achievements fully demonstrate that building socialism with Chinese characteristics is the necessary path to China's economic and social development. The opening of this road has provided a clear direction for socialist modernization in China and supplied us with the solid guarantee for accomplishing the second and third stages of our strategic goal. Furthermore, this has greatly contributed to the enrichment and development of Marxism, and provided communists in other countries with successful experiences in solving the important problem of how to integrate socialism with national reality.

Today, the party is leading the people of the entire nation in the struggle to reach the second strategic target. We believe that as long as we continue to follow the road to socialism with Chinese characteristics, we will definitely accomplish the second stage of our strategic goal, and we will definitely open up a newer situation and achieve a greater success.

#### **Daily on Zhejiang Socialist Education Program**

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23 Dec 91 pp 1, 4

[Report by General Office and Propaganda Department of Zhejiang Provincial CPC Committee and Zhejiang Provincial Rural Policy Research Office: "Zhejiang Provincial CPC Committee Conscientiously Sums Up Experience in Carrying out Socialist Ideological Education in Rural Areas"; first two paragraphs are RENMIN RIBAO editor's note]

[Text] Today's RENMIN RIBAO carries a report prepared by the General Office and the Propaganda Department of the Zhejiang provincial party committee, and the provincial rural policy research office, which gives a comprehensive and systematic briefing of Zhejiang's experience in educating peasants in socialist ideology. This is a rewarding report. Zhejiang's experience has three outstanding features: First, they have tried to reach a common understanding, and have taken socialist ideological education in rural areas as a basis and prerequisite for improving rural work, stabilizing the overall situation, and intensifying the position of socialism in rural areas. They launch an education drive in rural areas in winter and spring every year in light of local circumstances. Second, they have skillfully combined intensive education with regular education, enabled the two aspects to complement each other, and thus made socialist ideological education a genuine, indispensable component part of the development of the two civilizations in rural areas. Third, they have closely integrated theory with practice, and ideological education in patriotism, collectivism, and socialism has given a strong impetus to rural economic development, advanced rural

reform, strengthened grass-roots organizations in rural areas, and made the vast rural areas full of vigor and vitality.

Since the Fourth Plenary Session of the 13th CPC Central Committee, all provinces, municipalities, and autonomous regions have set great store in socialist ideological education in rural areas and gained a lot of valuable experience. We hope that all localities will do a still better job in socialist ideological education in rural areas, in accordance with the requirements set forth by the Eighth Plenary Session of the 13th CPC Central Committee.

Based on thorough investigations and studies, the General Office and the Propaganda Department of the Zhejiang provincial party committee and the provincial rural policy research office recently wrote a report to review the socialist ideological education drive in rural areas in Zhejiang Province. The following is an abridged version of the report.

Over the past four years since 1988, we have organized unified operations to launch a massive and in-depth socialist ideological education drive in rural areas in winter and spring every year. Through the drive we have solved some outstanding problems in rural areas, expedited rural reform, intensified grass-roots party organizations, made the ties between the party and the peasants closer, and powerfully pushed ahead the development of two civilizations in rural areas.

#### **1. Educating Peasants With Socialist Ideology Is a Basic Task To Intensify Position in Rural Areas**

Persisting in vigorously promoting socialist ideological education is a major operation that we have taken with a view to solving some existing outstanding problems in our rural work, in light of the new circumstances arising after the responsibility system, mainly featuring the system of linking remuneration to output on a household basis, was introduced into rural areas. It is also an actual measure we have taken in upholding the principle of "paying attention to both material and cultural and ideological progress."

Since the Third Plenary Session of the 11th CPC Central Committee, Zhejiang has made great progress in rural reform: The commodity economy has been unprecedentedly prosperous in rural areas, agricultural production and township and town enterprises in particular have seen rapid growth, and the peasants' livelihood has been improved substantially. At the same time, however, there have emerged some new circumstances and problems.

With regard to the administrative structure, after rural reform is initiated, the former administrative structure, which was based on the principles of "large in size and collective in nature," "integration of government administration and commune management," and "three-level ownership by the commune, the production brigade, and the production team, with the production team as the basic accounting unit," has disintegrated. In rural areas,



under the new grass-roots organizational pattern, how grass-roots party organizations will exercise leadership and how other organizations at the village level will play their roles have become new topics to be studied in our rural work.

With regard to the production and management structure, in the initial period of the implementation of the contracted responsibility system linking remuneration to output, some localities did a less meticulous job and overlooked the aspect of unified management. Because of their unsound two-tier management structure, the collective economy in these localities is not powerful enough, and fails to perform the function of integrated services, which has seriously affected the development of agricultural production both in breadth and depth.

As far as ideological views are concerned, because of the influence of the transient trend of playing down the party's leadership and slackening and weakening ideological and political work, feelings for the party, state, and collective, and the sense of hard work and self reliance have been weakened among some grass-roots cadres and peasants. Meanwhile, unstable factors have increased in rural areas. Unhealthy tendencies, feudal ideology and superstition, for instance, as well as the craze for gambling, have been spreading in some localities, and armed fighting between patriarchal clans breaks out from time to time.

As viewed from the quality of cadres, many grass-roots cadres, especially the young ones, are not familiar with rural areas, although they live there. They do not know how to work with the masses, and their work style is too simple and awkward. Some grass-roots cadres are not hardworking, and their work style is not down to earth. Some are not honest in performing official duties and have practiced favoritism—they have gone so far as to refuse to perform their duties if no gifts are offered to them, or to perform duties in a perfunctory manner even though they have received gifts. This situation has aroused grievances among the masses and seriously damaged relations between the party and the masses and between cadres and the masses.

To cope with all these new circumstances and issues that have emerged from the new situation in rural areas, we have carried out thorough investigations and studies. After repeated analyses and discussion, we have found that if we want to solve the above-mentioned problems and hold the initiative in rural work, we must give full play to the party's political strong point, earnestly strengthen ideological education, generally enhance the ideological understanding of grass-roots cadres and peasants, bring their initiative in socialist construction into play, and thus promote development of all sectors in rural areas. Based on this understanding, we launched a massive drive of education in the situation and our tasks, with upholding the socialist orientation and deepening rural reform as the main goal, in the rural areas throughout the province in the winter of 1988. Although this education drive was, in general, a

preliminary attempt, satisfactory results have been scored. After the political contretemps between the spring and summer of 1989, especially after the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, we have further enhanced our ideological understanding, and we have had a clearer understanding of the guiding ideology for "socialist ideological education." Everybody has felt that promoting socialist ideological education in rural areas is the basis and prerequisite for improving rural work, ensuring the stability of the general situation, and intensifying the position of socialism in rural areas. As our ideological understanding has been enhanced, our confidence in socialist ideological education has been further strengthened, and we have been working in a more down-to-earth manner. Each year we take up in socialist ideological education a major item of rural work, and a large number of cadres from government organs are assigned to form working groups to assist in ideological education in rural areas. Statistics show that in the past four years, 340,000 cadres from provincial, city, county, and township government organs in this province were transferred to take part in the drive.

Practice in socialist ideological education over the past four years has offered great inspirations. With many tasks to perform in rural areas, we must uphold the principle of attaching importance to the leading role of ideological education. Only in this way will we be able to seize the main contradictions and stick to the key link. Doing a good job in socialist ideological education in rural areas is a new form to expedite rural work under the new circumstances, and therefore we must make unremitting efforts in this respect. This has become a common understanding among party committees and governments at all levels in our province.

## **2. Socialist Ideological Education Must Be Closely Linked With the Actual Situation in Rural Areas, and the Stress Must Be Placed on Practical Results**

**(1) It is necessary to select a theme of the education drive and to concentrate on specific issues.**

In the education drive over the past few years, we have always been firmly upholding the socialist orientation, deepening rural reform as the key link, and maintaining continuity of education. At the same time, we have fixed a theme of education each year in light of the ideological condition among cadres and the masses and the domestic and international situation in different periods, trying our best to add some new ideas to the education drive every year.

In the winter of 1988, in view of the stagnation in agricultural production, especially in grain production over the previous years, the high price and short supply of agricultural capital goods, excessively low grain prices, the difficulty in grain procurement, and grievances among peasants, we launched a socialist ideological education drive in rural areas throughout the province with the focus laid on "studying the situation and

clarifying our tasks." Through this drive we enhanced the sense of general interests among the peasants, and emphasized the necessity of serving the peasants. At the same time, we investigated and handled a number of cases involving illegal selling and arbitrarily jacking up prices of agricultural capital goods, pacified the masses, and achieved our goal—"to be well informed, to bring people to reason, to pacify the masses, and to raise morale." From October 1989 to April 1990, in view of the situation wherein some peasants were worried about possible change in the policy and indifferent to the collective, and the collective economy had weakened after the political contretemps between the spring and summer of 1989, we have launched an education drive in the party's basic line of one center, two basic points, to guide the vast number of cadres and masses to correctly understand and implement the line, principles, and policies that the party has adopted since the Third Plenary Session of the 11th CPC Central Committee, and to correctly handle relations among the state, collective, and individual. Thus we have managed to enhance the sense of the state and the collective among people and achieved the goal of "stabilizing the policy and strengthening people's confidence." From October 1990 to February 1991, with "promoting stability, promoting morale, carrying on reform, and promoting development" as the keynote, we concentrated our attention on the task of "clarifying orientation and strengthening confidence," and continued to step up the ideological education drive with the aim of ensuring the socialist orientation and enhancing the peasants' socialist ideological understanding. At the same time, we launched an education drive to promote understanding of the decision adopted by the Sixth Plenary Session of the 13th CPC Central Committee among party-member cadres, took measures to step up the construction of supporting organizations at the village level with party branches as the core, made efforts to improve the two-tier management structure, and thus promoted the collective economy. The main theme of education we have selected for this year is: To educate and inspire the masses with the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and Comrade Jiang Zemin's 1 July speech, to enhance their conscientiousness in implementing the party's basic line, to further strengthen the party's leadership and the people's confidence in socialism, to intensify the position of socialism in rural areas, and to strive hard to fulfill the second-stage strategic goal and to build new socialist rural areas.

**(2) Persist in positive education and self-education, and increase the attraction and appeal of the education drive.**

Socialist ideology cannot spread among the peasants spontaneously. Therefore, socialist ideological education in rural areas must be mainly based on positive education—socialist ideology should be spread among the peasants through study of documents, propaganda, and lectures. While trying our best to publicize key principles, we must uphold minor principles. On the other hand, we must set much store in those education forms

that can be easily understood by and are well received among the masses. We must particularly make full use of the cases of those people whom the masses are familiar with, to achieve the goal of self-education and self-improvement. As far as ideological education is concerned, over the past few years, we have on the one hand carried forward those methods that had been proved effective in the past, for instance, inviting the "three kinds of veterans" (namely, veteran cadres, veteran party members, and old peasants) to give talks on "three kinds of history" (namely, village, family, and enterprise history); holding quizzes, giving lectures, and arranging artistic shows; holding meetings to review the past and compare it with present conditions, and organizing exhibitions; and encouraging secondary and primary school pupils to take part in propaganda campaigns. On the other hand, we have introduced some new forms and methods of ideological education, such as the activity of "100 questions and answers," "massive discussions on special topics," and "hundred peasants forums." In Jinhua, Ningbo, and some other places, comrades in charge of some relevant departments have been invited to attend forums to discuss with peasants face to face such issues as grain production, supply of agricultural chemicals and fertilizers, and power and water supplies. Through these forums, the peasants have gotten a clear picture of the actual situation, had a deeper understanding of policies, and had their doubts dispelled. Excellent results have been scored. As far as ideological education is concerned, various localities have attached particular importance to the role of typical cases. Leading organs at the city, county, and township levels have produced video documentaries or art performance programs to publicize cases of some outstanding and well-known advanced typical individuals and collectives, and organized film shows and performance tours.

**(3) Uphold the principle of integration of theories and practice, and expedite rural work on various fronts with education.**

In socialist ideological education, we have upheld the principle of conducting theoretical discussion in light of practical conditions and improving practical work through enhancement of theoretical understanding. In other words, we have paid attention to enhancement of people's ideological understanding and tried to bring them to reason, while devoting efforts to implementation and doing our best to expedite rural work on all fronts. First, we have tried to intensify the collective economy at the village level. While consolidating the contracted responsibility system linking remuneration to output on the household basis and paying attention to bringing the masses' initiative into play, we have tried to strengthen the collective economy by various means and to increase the collective functions of self-accumulation, self-regulation, self-service, and self-development. Statistics show that in 1989 and 1990, the province's income derived from contracts involving various trades totaled 575 million yuan. Second, we have engaged in construction of water conservation facilities and

launched massive farmland capital construction projects. The past few years witnessed the greatest wave of construction of irrigation and water conservation facilities of the largest scale and highest efficiency in this province since the initiation of reform and opening up. In 1989 and 1990, the province spent a total of 578 million man-days on this kind of project, and the total amount of work finished was 511 million cubic meters of earth and stone. Of this amount of labor, more than 85 percent was contributed by peasants. This year the province has witnessed another upsurge of construction of water conservation facilities. Third, we have consolidated the collective financial service setup at the village level. The masses are very much concerned about the financial service consolidation operation which involves a wide range of sectors and a great deal of work, and has a very important bearing on relevant policy. We have demanded that all localities concentrate on the solution of a few specific issues within a confined scope, lest they should play down ideological education and be occupied with concrete economic affairs. We have focused our attention on sorting out the revenue and expenditure accounts at the village level after the introduction of the contracted responsibility system on the household basis, collecting overdue debts, announcing the scheme on the outlay of funds derived from contracts in the next couple of years, and consolidating and improving the financial administrative system. Fourth, we have launched a campaign to "curb the three phenomena" (namely, gambling, feudal and superstitious practices, and extravagant weddings and funerals) and to "elect three kinds of households" (namely, model households in observance of discipline and laws, five-goods households, and outstanding households in promotion of the two civilizations); we have worked to promote model units in building material and spiritual civilization, and to expedite the development of spiritual civilization in rural areas. Through these activities, a trend of "three more and three fewer" has emerged in rural areas, namely, more people in rural areas have had a high sense of observance of discipline and laws, while fewer people indulge in gambling or are involved in theft and robbery; more people have cultivated more harmonious neighborly relations with others while fewer people are involved in fighting; more people believe in science while fewer people believe in feudal and superstitious culture.

### **3. Stress Must Be Placed on Key Links in Socialist Ideological Education, and Importance Must Be Attached to Education for Cadres at the Township and Village Levels**

Working on the first front in rural areas, cadres at the township and village levels serve as the bridge and linkage between the party and government, on the one hand, and the broad masses in rural areas, on the other. Placing stress on education of cadres at the township and village levels can help thoroughly implement the party's line, principles, and policies among the peasants and develop closer ties between the party and the peasants; strengthen the peasants' faith in socialism and inspire

them to more vigorously build socialist new rural areas; and foster a "task force that will stay" in rural areas, and thus consolidate, deepen, and expand the achievements of socialist ideological education.

As for education for cadres at the township and village levels, we have upheld the principle of taking ideological, positive, and self-education as the key link. On the one hand, we have adopted a serious and conscientious attitude and pursued the spirit of rectification movement. On the other hand, we have enthusiastically helped cadres prevent the erroneous "leftist" practices that had been prevalent for a while in the past. In summing up and popularizing the successful experience of Jinhua and other localities in education for cadres at the township and village levels, we have particularly stressed five aspects. First, we have helped cadres enhance their sense of wholeheartedly serving the people and their mass viewpoint, and heighten their conscientiousness in implementing the party's basic and mass lines, through the study of the documents of the Sixth and Seventh Plenary Sessions of the 13th CPC Central Committee, the relevant works of Mao Zedong, Deng Xiaoping, and other revolutionaries of the older generation, and Comrade Jiang Zemin's 1 July speech. Second, we have conducted in-depth surveys to extensively solicit opinions and suggestions from the peasants and to find out our weaknesses and deficiencies, thus ensuring that education for cadres is to fulfill some specific objectives. Third, local authorities have launched a massive drive to learn from Jiao Yulu, selected typical advanced cases in their own areas and units, set up some models for emulation, and thus pointed the direction for further efforts. Fourth, leading comrades of party committees have had heart-to-heart talks with some individual cadres, helped them correctly evaluate themselves and enhance their understanding. Based on the enhancement of the political integrity of individual cadres, regular inner-party ideological education meetings have been better conducted. In order to ensure that regular inner-party ideological education meetings are fruitful, leading comrades at the next higher level have attended such meetings at the lower level lest the meetings should be conducted in a perfunctory manner. Fifth, we have specially dealt with some issues raised by cadres and the masses, analyzed them, and adopted specific remedial measures, and kept the cadres and the masses informed of the progress made. Thanks to ideological education, the mass viewpoint and sense of service on the part of the vast number of cadres at the township and village levels have been remarkably enhanced, relations between cadres and the masses have become closer, and cadres have managed to keep up their morale and enhance their sense of responsibility, and have substantially improved their work style. Now, we have more cadres going down to townships and villages to call on peasants and help them solve practical problems; there are fewer cases of cadres who lack the sense of discipline, like to grumble, and do private business during official working hours. Also, as leading bodies are more united,



cadres work together more efficiently and have better coordination with each other.

We have also closely linked ideological education for cadres at the township and village levels with the intensification of grass-roots organizations in rural areas, expediting organizational development through ideological education. The focus is laid on three aspects: 1) We have paid attention to consolidation and rectification of backward party branches. In 1988 there were more than 900 backward party branches in this province, most of which were in impoverished, economically underdeveloped villages in remote areas, or in "nominal villages" where the collective economy at the village level was very weak. Nearly 5,000 cadres at the county, district, and township levels were sent out to help these backward party branches carry out consolidation and rectification operations. After a few years' efforts, these backward party branches have made remarkable progress. Thus the proportion of backward party branches to all the party branches in rural areas in this province has dropped from 19 percent in 1988 to 6.7 percent now. 2) We have stepped up development of village-level economic cooperatives and intensified the village-level collective economy. We have mainly accomplished four tasks. First, a competent leading body has been formed by members who are honest and fair in performing official duties and are enthusiastic in serving the masses. Second, we have clearly defined the role of village-level economic cooperatives, authorizing them to perform managerial and coordinating functions, to render supporting services to production, to engage in developmental business, and to perform the function of capital accumulation. Third, we have established an accumulation mechanism which includes a system of turning over of funds derived from contracts, a labor accumulation [lao dong ji lei 0525 0520 4480 4797] system, agricultural development and cooperation fund systems, and a profit retention system for township and town enterprises. And fourth, we have developed a service system to vigorously extend services to the peasants before, during, and after production, and to improve integrated services in terms of farmland distribution of crops, seed supply, seedling growing, crop protection, mechanical farming, and irrigation. Now nearly 33,000 village-level economic cooperatives have been established in 75 percent of the administrative villages in the province. The intensification of village-level economic cooperatives has played an extremely important role in the development of the village-level collective economy. 3) We have done a good job in strengthening organizations at the township and town level. First, we have more clearly defined the validity period of the management-by-objective system for township and town cadres and put the annual performance assessment and reward-penalty systems for cadres on a sound basis. So far over 90 percent of the townships and towns in the province have been practicing the job responsibility system for cadres. Second, we have taken action to fill vacancies of some posts at the township and town level, such as organizational committee members, secretaries of the

Communist Youth League committees, and chairwomen of women's federations, and we have improved the township and town cadre employment system, and stabilized the contingent of cadres at the township and town level. And third, we have gradually straightened out the cadre administration system for different township and town organs, strengthened administration over cadres of all township and town organs, and thus ensured more efficient operation of grass-roots government organs in towns and townships.

#### **4. The Key to Promotion of Socialist Ideological Education Lies in Change of Work Style and Strengthening of Leadership**

**First, principal leading comrades at all levels must personally take charge of implementation.** Principal party and government leaders at all levels, from the secretary of provincial party committee and provincial governor downward, have all set much store in socialist ideological education. They have personally conducted surveys, drawn up plans, made arrangements, reviewed work progress, and recommended successful experience. Each year, before the socialist ideological education drive is launched in full scale, the standing committee of the provincial party committee always organizes a few symposiums on special topics to clarify the idea of the education drive, draw up the plan, secure coordination, and assign tasks. Provincial authorities always designate a deputy secretary and several standing committee members of the provincial party committee to take charge of this work, and other secretaries and standing committee members extend close cooperation. The routine education drive operation is mainly undertaken by the propaganda department of the provincial party committee and the provincial rural policy research office, while comrades from the organizational department, general office, and policy research office of the provincial party committee are transferred to form a socialist ideological education office to take care of general affairs and provide guidance to the ideological education work throughout the province. Similar offices are also set up in 11 cities (prefectures) as well as more than 80 counties (cities, or districts) in the province; in most cases, the leaders of local party and government organs head such offices themselves. After the ideological education drive has been launched in full scale, itinerant inspection teams or inspection groups are set up at the provincial, city (prefectural), and county levels. Headed by leading people at different respective levels, these teams or groups will oversee the areas assigned to them, inspecting work progress at the grass-roots level and providing guidance to ensure the operational quality of the ideological education drive.

**Second, pilot projects have been conducted in some selected spots to set examples for whole areas to follow, and supervision and inspection have been strengthened.** In order to ensure that the ideological education drive is carried out in a down-to-earth and orderly manner, we have persisted in conducting pilot projects at all levels, training backbone cadres, securing experience, and

pushing the drive forward step by step. Over the past few years, as soon as the summer harvest and sowing are finished, provincial, city, and county authorities all select a number of comrades, who have political integrity, possess a deeper understanding of the policy, and are familiar with rural work, to set up task forces, headed by leading comrades at different levels, to carry out socialist ideological education pilot projects in some selected townships and villages of different categories in different areas. In the meantime, general surveys are conducted within larger areas. The main content of the ideological education drive for the year and the key issues that are to be dealt with are fixed, and a set of work criteria is formulated in light of the experience acquired from the pilot projects and the findings of the general surveys. And then a socialist ideological education drive is launched in full scale throughout the province. During the process of ideological education, we have focused on some specific issues, and provided specific guidance in good time through telephone conferences, newsletters, and on-the-spot supervision and inspection. For every ideological education drive, we have held to high standards and strict requirements in inspection, and every unit which fails to fulfill the requirements is required to do some extra work to make up deficiencies.

**Third, work has been done to intensify the working groups and improve their work style.** Since the first socialist ideological education drive, we have organized working groups at the provincial, city, and county levels every year to help conduct the drive in rural areas, with a view to strengthening guidance for socialist ideological education. In 1989 and 1990, we basically managed to send a working group to each township and each village in the province. This year, we have sent working groups to more than three-fifths of key townships and towns in the province. Before they are sent out to work, members of working groups have all undergone strict training, studying documents concerned and the experience offered by pilot projects; thus, they have had a clear understanding of their tasks and had their sense of discipline enhanced. Every working group is required to give full play to the fine style of maintaining close ties with the masses and hard work. Working group members are required to bring along with them their luggage rolls, have their meals and live in rural areas during their tours, keep a simple lifestyle, and practice honesty in performing official duties. The vast majority of working group members have learned from grass-roots cadres and peasants with an open mind during their tour in rural areas; actively publicized the party's line, principles, and policies; and helped local people intensify and develop the collective economy and solve some longstanding problems, and thus have been highly appreciated by the masses. Working groups from the grain supply, agricultural, water conservation, supply and marketing, science and technology, and banking sectors also conscientiously conducted surveys in their relevant fields in places they visited, to solicit opinions in their relevant fields from among local peasants and grass-roots cadres and to find

out the local people's needs. Through these surveys, the working groups have found out some outstanding issues of universal significance and overall importance, worked out some measures, and taken the initiative to solve them.

#### **5. It Is Necessary To Skillfully Combine Intensive With Regular Education, and Thus Consolidate and Expand Achievements Already Made in Socialist Ideological Education**

We have found that some localities have set store in intensive education alone but overlooked regular education in the past few years. People in some townships and towns have cultivated a mentality of procrastination, and they would rather put off some problems for a solution during the intensive ideological education drive even though these can well be solved right away. Some people who are not satisfied with cadres do not air their grievances in good time but would rather "wait until winter to settle the account" with the cadres. We have first paid attention to unifying ideological understanding among cadres at all levels, made them understand the necessity of intensive education, which enables us to solve some outstanding problems of universal significance. But regular education is indispensable, too—as a basic work it helps consolidate and expand the achievements made by intensive education. Therefore, in socialist ideological education, we have set great store in skillfully combining intensive education with regular education, thus paving the way for intensifying regular education.

**First, we have built an ideological and political work contingent.** This contingent is mainly composed of cadres at the township and village levels and a large number of party members, who are the main force to carry out regular education in rural areas. As far as intensive education is concerned, many localities have tried to enhance cadres' ideological and political qualities and helped them master basic techniques for ideological and political work in rural areas, through training, study, and tutorial classes. At the same time, all localities have paid attention to intensifying old folks associations, wedding and funeral management councils, women's anti-gambling associations, and other mass autonomous organizations, and have given full play to their role as organizations to promote justice, curb feudal and superstitious practices, ban gambling, fight larceny, and curb maltreatment of the aged and other evil practices.

**Second, we have tried to establish an arena for ideological and political work.** This arena has two fronts: 1) The front for party member education and activities, with the township and town party school, party member activity office, and party member activity day as the main media. Township and town party schools had developed quite well in this province before 1988, and they have been further consolidated and improved since the first "socialist ideological education drive." Now over 90 percent of the townships and towns in the province have



had their own party schools. Township and town party schools have been regularly conducting education among cadres and party members on Marxist basic theory, the party's basic line, and basic knowledge about the party. Party activity offices have boomed in the socialist ideological education drive. These offices now serve as the venues for party members in rural areas to study, and hold meetings and different kinds of functions. The party member activity day system has been gradually improved. Of the 68,000 party branches in rural areas in our province, 52,000 have established a sound party member activity day system based on the system of "three meetings and one class" [san hui yi ke 0005 2585 0001 6143]. 2) The front of peasant activities mainly featuring the operation of old folks activity centers and youth clubs. During the socialist ideological education drive, many localities have established movie and video rooms, libraries, chess and card game rooms, sport grounds, and so on, with their own resources as well as the assistance from working groups. Thus the masses in rural areas now have some choices of recreational activities during their leisure time.

**Third, we have improved a set of ideological and political work systems.** There are the following main systems: 1) The working group revisiting system. Working groups at the provincial, city, and county levels may revisit townships and villages they visited on ideological education missions earlier to see whether the past achievements of socialist ideological education are intensified and what difficulties and problems the peasants have encountered in production and daily life. By so doing, they have managed to maintain close ties with the peasants, enhanced friendship with them, and contributed ideas to help local people improve regular ideological education at the grass-roots level. 2) The system concerning education and activities for party members, such as the system of democratic assessment of party members, the system of party school, party member activity office, and party member activity day, the system governing party members' contact with peasant households and their responsibility zones, and the double-target management system. 3) The system of conducting education for the vast number of peasants, such as the system "to curb three kinds of phenomena, to elect three kinds of households, and to promote model units in building material and spiritual civilizations," and the system for ideological education reporters and propagandists. To ensure the enforcement of these systems, many localities have taken grass-roots cadres' performance in implementing the systems, as a factor to be considered in the annual assessment of the cadres' general performance and in meting out rewards and punishment. In this way they have ensured that these systems give full play to their due role.

**Inner Mongolia's Wang Qun on Nationality Areas**  
*HK3001061092 Beijing RENMIN RIBAO in Chinese*  
12 Jan 92 p 5

[Article by Wang Qun, secretary of Inner Mongolian Autonomous Region CPC Committee: "Be Geared to the Future, Accelerate Development of Areas Inhabited by Minority Nationalities"]

[Text] The "Resolution" of the Seventh Plenary Session of the 13th CPC Central Committee pointed out: "Efforts should be made to give full play to the superiorities of nationality regions, to appropriately integrate the exploration of natural resources of nationality regions with their social and economic development, to gradually end the relatively backward economic situation of nationality regions, and to adapt the economic development of nationality regions to that of the entire country." This is an important component and principle of China's future development strategy. The crux of this principle is that nationality regions should make vigorous efforts to keep abreast of the entire country's economic development. This is an important issue which should be seriously considered and solved by nationality regions.

No matter whether we judge from an economic or a political angle, it is of great strategic significance to accelerate the development and construction of nationality regions. From a strategic point of view, China is in urgent need of great support from energy and raw and semifinished materials industries in its efforts to attain the second-step strategic goal of economic and social development. Therefore, nationality regions' efforts to open up their natural resources and provide the country with its badly needed energy and raw and semifinished materials are undoubtedly very important for the country to carry out its overall economic restructuring, to make resource and processing regions mutually complementary, and to bring about a well-coordinated development to the entire national economy. From a long-term strategic point of view, the potential and prospects of China's economic development depend, to a considerable extent, on the resource exploration and economic development of nationality regions. According to the country's political requirements, "common prosperity" is a natural need of socialism, and it is our party's and country's fundamental position on the nationality issue to bring about common development and flourishing to all nationalities. Both "common prosperity" and "common development and flourishing" are based on the economic development of all nationalities. We cannot ask for a negative balance by artificially slowing down the development pace of coastal and inland areas. On the contrary, we should devote all our energy to accelerating the exploration and construction of nationality regions, and double our efforts to suit the economic development of nationality regions to that of the entire country. At present, hostile international forces have gone all out to carry out "peaceful evolution" against China. Their habitual practices include imposing economic sanctions; stirring up trouble among the masses; and engaging in sabotage under the disguise of "nationality," "religion," "democracy," and "human rights." With an advanced economy, we will be able to base our struggles against "peaceful evolution" on a sound material foundation. With a developed economy in nationality regions, the people of all nationalities will become more loyal to the great motherland and the socialist

cause and more conscientious in safeguarding the motherland's unification and the unity among all nationalities, as well as in building up a great wall of steel against "peaceful evolution" in the motherland's border areas.

Judging from the country's overall political and economic situation, and in light of Inner Mongolia's actual conditions, we consider it both necessary and advantageous for nationality regions to accelerate their pace of exploration and construction.

First, nationality regions occupy an important position in the country's overall political and economic strategy. The Inner Mongolia Autonomous Region is the first autonomous nationality region after the founding of the PRC, thus having a great influence both at home and abroad. The prosperity and development in nationality regions serve as a direct message to the world that the CPC's policy of granting autonomy to nationality regions is totally correct, and the socialist big family of all nationalities is making concerted efforts to attain common growth. This is the first point. The second point is that, being contiguous to the former Soviet Union and Mongolia, Inner Mongolia has a border as long as more than 4,000 kilometers stretching across northwest, northeast, and north China. Bordering eight provinces and regions, Inner Mongolia covers one-eighth of the country's total area. Therefore, we are shouldered with the glorious mission of safeguarding and building up border areas. Countries can influence each other through their border areas. With flourishing nationality regions, we can exert a positive impact on other countries. Meanwhile, being located in the central section of China's physical layout, Inner Mongolia serves as an important link between eastern and western areas in the country's overall economic development strategy. The third point is that because it has vast territory and abundant natural resources, Inner Mongolia enjoys board prospects in exploration and construction. Inner Mongolia is always known for its "eastern forests, western iron ores, southern grain, northern animal husbandry, and coal everywhere." It has just about every kind of mineral resource one would expect to find, and the reserves of many rank the first in both China and the world.

Second, nationality regions themselves have already been provided with a certain material and technological base. With the construction over the past 40 years and more, especially with the reform and opening up in the past decade, the economic and social situation in nationality regions has undergone tremendous changes, while certain real economic strength has formed in these regions. Nowadays, Inner Mongolia possesses an industrial and national economic system of a certain scale. Rapid development has been registered in all social causes, including science and technology, education, culture, and public health. In particular, over the past decade of reform and opening up, Inner Mongolia has been engaged in the construction of a number of large and medium projects, thus enhancing its productive forces and its potential for future development. In future

years, alongside the exploration and utilization of natural resources, Inner Mongolia will build 10 major production bases for forestry; animal husbandry; agriculture; the processing of grain, cooking oil, and sugar; ferrous metals; coal and energy; chemical industry; non-ferrous metals; rare-earth metals; and building materials. With the establishment of these 10 major production bases, Inner Mongolia can make greater contributions to the country by being one of the country's energy and raw and semifinished materials production bases, and also by providing reliable rear-service to southeastern coastal areas.

Third, the country's general climate and policies are also beneficial to accelerating the development of nationality regions. Since the PRC's founding, the central authorities have always attached great importance to the development and progress in the country's central and western areas. To further narrow the gap between China's central and western areas and its eastern and southern areas within the future decade, the central authorities have recently worked out effective, practical, and inspiring strategic development goals. It has been explicitly stressed in the "Suggestion" adopted at the Seventh Plenary Session of the 13th CPC Central Committee that the central authorities and economically advanced areas should provide nationality regions with financial, material, and technical support to enable them to attain further development in the future. This general policy will promote, to a considerable extent, the economic construction and inherent vitality of nationality regions in border areas.

Our party and country have placed great expectations on the development of nationality regions. Comrade Deng Xiaoping once indicated that with a vast prairie and a small population, it is possible for Inner Mongolia to take a leading position in the future. To attain this goal, Inner Mongolia itself should first achieve progress and become rich. Living in this nationality region, the vast numbers of cadres and masses of all nationalities in Inner Mongolia have been filled with the confidence to win victory. We have worked out a guiding strategic principle of "giving play to our superiorities in natural resources, upholding the principle of reform and opening up, relying on scientific and technological progress, and making vigorous efforts to rejuvenate our region and make our people rich." Under this principle's guidance, we are determined to vigorously build Inner Mongolia into one of the country's important production base for energy, raw and semifinished materials, metallurgy, heavy chemical industry, and wool and spinning industry, as well as a base for animal husbandry; forestry; and the production of grain, cooking oil, and sugar. We have already drawn up concrete measures for accelerating Inner Mongolia's economic and social development. However, judging from the special features of "nationality regions" and their "relative backwardness," we believe that to accelerate the nationality regions' economic development, we should first attain a correct ideological understanding of the following issues:

1. Further freeing our mind of outmoded ideas and practices, deepening reform, and expanding opening up are the only ways for us to accelerate the development of nationality regions. Failure in emancipating our mind or replacing outmoded concepts with new ones will inevitably put us at a loss in what to do, and make us feel unable to start our work even though we want to. The central authorities have worked out clear-cut policy decisions and arrangements on major issues concerning reform and opening up. However, as a general guidance, it is impossible for these policy decisions and policies to provide solutions to all concrete problems. This requires us to make scientific and practical judgments and decisions in light of the nationality regions' special features. The reason some areas in China were able to rapidly develop over the past decade of reform and opening up is that they all have made solid progress in freeing themselves from old concepts. This shows that to accelerate the development of nationality regions, two key issues are whether or not leading cadres have the courage to break with all outmoded conventions and bad customs which restrict the development of productive forces, and whether or not they can adapt themselves to the changing objective situation and constantly bring forth new ideas in practice. Over recent years, Inner Mongolia has done some work in emancipating our minds and replacing old concepts with new ones. On the one hand, we sent 100 cadres at the banner and county levels to other parts of the country, such as Shandong, to receive on-the-job training, and on the other hand, we invited some cadres from advanced provinces and regions to Inner Mongolia to take leading posts at all levels. By exporting and importing cadres, we have gained a great deal of good experience from advanced provinces and regions. To broaden our vision, we also held a trade fair in the pattern of the traditional Nadam Fair, and achieved both ideological and economic harvests. Nowadays, the entire region has gradually reached a consensus: To seal up nationality regions is a blind alley; the golden road can only be opened when we free ourselves from outmoded ideas and practices.

**2. Vigorously developing science and technology and culture, bringing up qualified personnel, and enhancing the quality of laborers are the fundamental strategies for accelerating the development of nationality regions.**

Science and technology, education, and culture are not only important content of our goals to attain economic and social development by the end of this century, but also strong impetus to, and important guarantees for, the realization of these goals. By saying that nationality regions are "relatively backward," we mean the level of science and technology, education, and culture are "relatively backward" in these areas. This has been reflected by the inferior quality of laborers, poor management, low technological level, and poor economic returns. Comrade Jiang Zemin pointed out recently: "We have ensured the attainment of the first-step strategic goal by shifting the party's work focus to economic construction. Now, our efforts to further rely on scientific and technological progress and improve the quality of the work

force for economic development will certainly ensure the attainment of the second-step strategic goal and lay a solid foundation for the realization of the third-step strategic goal." In this sense, the principal strategy for the future development of nationality regions is to cultivate, among cadres and masses of all nationalities, the strategic concept that "science and technology constitute a primary productive force" and that we should rely on scientific and technological progress and improve the quality of the work force for economic development. We have gained personal experience on this issue from the practice in Inner Mongolia. We are determined to make great breakthroughs in the future in rejuvenating our region through application of science and technology.

**3. Upholding the principle of self-reliance and hard struggle and enhancing our ability to attain self-development are basic points in accelerating the development of nationality regions.** It is our party's and country's consistent policy to vigorously help nationality regions carry out construction and develop the economic and cultural causes in nationality regions. The solid basis which Inner Mongolia is enjoying today is indeed a glorious victory of the party's nationality policy. Meanwhile, we have also noticed that the people of all nationalities in nationality regions should make greater efforts to carry forward the pioneering spirit of self-reliance and hard struggle. This serves as an inherent power to develop the economy and culture in nationality regions. Only by relying on this power can we cultivate and enhance the inherent vitality of nationality regions and give better play to the support of the state and advanced regions. The average annual GNP growth rate in the coming decade is estimated at 6 percent. However, Inner Mongolia has to ensure a 7-percent and strive for an 8-percent growth to attain the second-step strategic goal and provide our people with a fairly comfortable life in the coming decade. Such a situation requires us to redouble our efforts and accelerate development, to take bigger strides to carry forward the pioneering spirit of self-reliance and hard struggle, and to input more energy and financial strength into our economic construction and social development. Without a healthy mentality, a country, nation, class, or a political party is bound to decline. In comparison with advanced provinces and regions, nationality regions have lagged far behind. The gap between advanced and nationality regions means pressure, potential, and impetus to us. As long as we forge ahead and do all we can to catch up, we will surely change our region's backward look and catch up with the development pace of the entire country.

**4. Further safeguarding the motherland's unification and strengthening nationality unity are fundamental guarantees for accelerating the development of nationality regions.** In the view of Marxism, nationality relations are based on economic relations, and the consolidation and development of nationality unity depends on the enhancement and development of economic relations among all nationalities. Development in nationality regions and common prosperity and progress of all



nationalities cannot be attained without the entire country's development and prosperity. Only after the entire country achieves development and prosperity can nationality regions and minority nationalities realize their development and prosperity. In turn, if they can attain constant development and prosperity, nationality regions can serve as a stronger impetus to the entire country in its efforts to attain development and prosperity. Only when we correctly handle this dialectical relationship can we bring about prosperity to our country, and bring about equality, unity, mutual assistance, and common flourishing to all nationalities. It is not beneficial to the development of the country and all nationalities if we only stress partial interests to the neglect of overall ones. Therefore, nationality regions should first love the socialist motherland, strive for a common prosperity and progress of the Chinese nation, treasure the hard-won political situation of stability and unity, and safeguard the motherland's unification and the unity among all nationalities in a more conscientious way. At present, the international situation tends to be more complicated. In an attempt to split and sabotage our country, hostile forces both at home and abroad, under the guise of nationality and religion, are stepping up their efforts to infiltrate and subvert China and cause it to "peacefully evolve." We should heighten our vigilance and regard it as our priority task to maintain unity and stability. Without a stable environment, we can accomplish nothing. It is a glorious tradition of Inner Mongolia to maintain the motherland's unification and the unity among all nationalities. During the new historical period, we should further carry forward this glorious tradition. We deeply feel that Inner Mongolia's efforts to maintain its unity and stability and to build the region into a unified, well-off, and civilized region are its contributions to the great unity of the Chinese nation and the common prosperity of all nationalities.

#### **Police Force To Introduce 'Grading System'**

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[Article by Liu Jinghuai (0491 2417 2037): "China's Police Force To Introduce Grading System"]

[Text] On 23 December 1991, the "PRC People's Police Grading [jing jie 6226 7132] Regulations (Draft)" (hereinafter called the "Police Grading Regulations" for short) was submitted to the 23d meeting of the Seventh National People's Congress [NPC] for discussion. This is an important measure to improve the people's police force and protect social stability and order.

#### **For Regularization of Police Force**

The Chinese police force comprises 1.3 million men. This is small compared to the Chinese population but is a huge force if regarded independently. But for the last 40-odd years, this security enforcement contingent has exercised the same management as ordinary administrative institutions.

The Chinese police force has played an important role in preserving social stability and order over the last 40 years. But due to a lack of consideration for its special features, the police force has not fully played its functions. While explaining the "Police Grading Regulations" at the NPC meeting, Public Security Minister Tao Siju said: "Because there was no police grading system in the past, the people's police did not have ranks. This had affected police leaders' role in commanding work and sometimes caused confusion."

Shortcomings in the Chinese police management system are much more than these. Because police departments exercise the same management as ordinary administrative institutions regardless of their special features, they are provided with the same funding as ordinary institutions. Thus they are frequently short of money to handle cases. Funding for police departments has been increased in recent years, but this increase is far from covering the expenditures for preserving public security, thereby seriously affecting police work.

Following the development of opening up, cooperation and exchanges between the Chinese police and the world have increased. Without police ranks, this cooperation and exchange will be affected.

In view of this situation, China has decided to reform the existing police management system and to introduce a police grading system.

#### **Prolonged Consideration**

The implementation of the police grading system is a product of China's reform. The 13th CPC National Congress proposed reforming the cadre and personnel system by exercising classified management over different personnel. The police grading system is for the purpose of exercising special management over this special contingent so that it will bring its functions into full play.

As a matter of fact, China had already considered a police grading system as early as the PRC's founding. On 12 December 1949, the Public Security and Finance Ministries issued documents demanding the implementation of a grading system comprising two classes and six grades. But this proposal was suspended because the Chinese police force was just formed and conditions were not ripe.

In 1956, the Public Security Ministry drew up the "People's Police Regulations" and the "People's Police Ranking [jing xian 6226 6902] Regulations." These documents were submitted to the NPC at that time. But these bills were canceled due to differences of opinion. This suspension lasted for more than 20 years.

In November 1983, the Public Security Ministry submitted a report on implementing a police ranking system to the CPC Central Committee and the State Council. In February 1984, then CPC General Secretary Hu

Yaobang convened a CPC Central Committee Secretariat meeting to listen to a Public Security Ministry report. The implementation of the police ranking system was postponed because the armed forces had not introduced a military ranking system.

On 27 June 1988, the premier's office held a meeting to listen to a Public Security Ministry report, and on 24 September, Yang Shangkun, Li Peng, and Qiao Shi listened to another Public Security Ministry report. In principle, they agreed with the implementation of a police grading system and instructed the Public Security and Personnel Ministries to work out a detailed program and submit it to the State Council for examination and approval. Thus the implementation of the police grading system was confirmed.

Subsequently, the Public Security Ministry formed a special group to investigate and draw up the "Police Grading Regulations." During this period, the drafting group conducted much investigation and study. From 1988 to 1989, it surveyed 140,000 policemen to decide how to set up ranks. The Public Security Ministry; courts; procuratorates; judicial departments; the State Security Ministry; and the nine ministries where police departments are established, including the Railway, Communications, Civil Aviation, and Forestry Ministries, held more than 20 meetings for the relevant people in charge, to discuss the "Police Grading Regulations." After the first draft was formulated, opinions were solicited from 30 provinces, autonomous regions, and municipalities as well as from 14 central and state institutions. After repeated revisions, a State Council Standing Committee meeting discussed and approved it and then submitted it to the 23d meeting of the Seventh NPC Standing Committee for examination.

#### Police Grading System With Chinese Characteristics

The NPC meeting participants pointed out that the "Police Grading Regulations (Draft)" was a police management system bearing Chinese characteristics formulated according to China's national conditions.

While explaining the draft, Tao Siju said: We use "grading" instead of "ranking" because we wish to differentiate between the people's police and the Armed Police Force which uses the military rank system. Also, the grading of the people's police is different from the ranks of the military (police).

Why are the four grades in the people's police called police commissioner, police superintendent, police inspector, and police constable? Tao Siju provided these four reasons: 1) To differentiate between the police grading system and the military ranking system; 2) to give expression to the special features of the police; 3) to make position titles easy to say; and 4) to make position titles similar to those of foreign countries to facilitate connections and exchanges.

The arrangement of grading in the "Police Grading Regulations (Draft)" may be described as the most

typical Chinese characteristic. In foreign countries, most policemen have one rank at one post and some have two ranks at one post, but China's practice is many grades at one post. There are four grades and 13 classes in the "Police Grading Regulations (Draft)." Police commissioner is the highest position comprising three grades; the positions that follow are police superintendent, police inspector, and police constable. The positions "police superintendent" and "police inspector" comprise four grades each, and the position "police constable" comprises two grades.

With the establishment of the police grading system, the police force will introduce this system to the different police posts. For example, at the ministerial level, there will be first- or second-grade police commissioners assuming the post of police chief, or second- and third-grade police commissioners assuming the post of deputy police chief. In the course of introducing this system to different posts, some police officers at higher posts may be lower in grading than those at lower posts. So the draft regulations provide: "A higher-post policeman who is lower than another in grading remains the superior of the latter in work." This provision is to prevent confusion in command work.

In the "Police Grading Regulations (Draft)," there is also a special provision for determining grades at different posts for policemen engaged in technical work. The provision stipulates that senior technical posts fall within the category of third-grade police commissioner or second-grade police superintendent; intermediate technical posts fall within the category of first- to fourth-grade police superintendent; and junior technical posts fall within the category of first-grade police inspector or first-grade police constable.

The "Police Grading Regulations (Draft)" will be revised again according to NPC members' opinions. Some people pointed out that with the approval of the supreme organ of power, the regulations will help develop the modernization and regularization of the Chinese police force, improve its adaptability, and enable it to play a better role in preserving social stability and order.

#### Daily on Jiangxi Police Shooting 'Criminals'

HK0602012392 Beijing RENMIN RIBAO in Chinese  
22 Jan 92 p 4

[By reporter Li Hong (2621 4767), staff reporter Yu Qingchu (0151 3237 2806): "Jiangxi Policemen, Civilians Bravely Fight Armed Murderers"]

[Text] Nanchang, 21 Jan (RENMIN RIBAO)—A few days ago, a particularly serious armed murder case involving four criminals was cracked in Jiangxi Province. In a message of congratulation, the Public Security and Railways Ministries highly appraised the action against the armed criminals as a beautiful fight, which helps guarantee a peaceful spring festival for the people.

On the afternoon of 13 January, when train 476, which runs on the Xiamen-Yingtian railway, had stopped at Zixi station, train policeman Hu Zongze saw a suspicious passenger and immediately came up to him and interrogated him. Suddenly, this man attempted to snatch his pistol while his three accomplices attempted to shoot the policeman. Hu Zongze and train policeman Li Zhang started a courageous fight against the criminals.

No sooner had the incident occurred than the train stewards and stewardesses safely evacuated thousands of passengers. Officers and men of Jiangxi Province's public security organs and armed police corps, as well as the masses, courageously encircled the criminals for 46 hours, during which three armed criminals were shot dead and one was caught alive. In the fight, people's policeman Qu Zhengming died a martyr's death, Li Zhang and Ma Jiaxue were wounded, one person was killed, and another wounded.

Railways Minister Li Senmao rushed to Yingtian to express sympathy for Qu Zhengming's family dependents and the wounded people's policeman who is now in the hospital.

#### **Leaders Send Condolences on NPC Member's Death**

SK3101124192 Changchun Jilin People's Radio Network in Mandarin 2200 GMT 30 Jan 92

[Excerpts] After failure to respond to any medical treatment, Comrade Zhao Xiu, an outstanding member of the CPC, a faithful communist fighter, and member of the National People's Congress [NPC] Standing Committee, died of an illness at the age of 71 years in Changchun on 20 January 1992. [passage omitted]

After Comrade Zhao Xiu died, Wan Li, chairman of the NPC Standing Committee; Song Ping, Standing Committee member of the CPC Central Committee Political Bureau; Wang Zhen, vice president of the PRC; Zhao Nanqi, director of the General Logistics Department of the People's Liberation Army; Qiang Xiaochu, member of the Central Advisory Commission; Gao Di, president of the RENMIN RIBAO agency; Gao Dezhao, minister at the Ministry of Forestry; Wang Guangzhong, chairman of the Liaoning Provincial People's Congress Standing Committee; and Li Zhen, chairman of the Shandong Provincial People's Congress Standing Committee, respectively phoned or sent telegrams of condolence to Comrade Zhao Xiu's family members.

Comrade Zhao Xiu's remains were cremated on 26 January.

#### **Li Peng Writes Title for Children's Audio Reader**

OW2901150992 Beijing XINHUA Domestic Service in Chinese 0943 GMT 29 Jan 92

[Text] Beijing, 29 Jan (XINHUA)—The audio reader *Family Educational Stories for Preschool Children* (Volume One) was recently published by the China Broadcasting Audio and Video Publishing House. Li

Peng and Chen Muhua wrote the title for the book, while Kang Keqing (1660 0344 3237) wrote the inscription.

The *Family Educational Stories for Preschool Children* consists of two cassettes totaling 120 minutes and a colorful book. Children, while listening to the cassette's lovely background music, can read, think, and answer questions as they wish.

The reader consists of six chapters covering education on health care, psychology, moral character, labor, aesthetics, and intelligence. The 124 concise, lively short stories collected in the audio reader are helpful in increasing children's knowledge and nurturing virtues. The cassette is narrated by Xu Wenyan and Cao Can, hosts of the "Little Trumpet" program of the Central People's Radio Network.

#### **Collection of Party Documents Published**

OW2901043892 Beijing XINHUA in English 0349 GMT 29 Jan 92

[Text] Beijing, January 29 (XINHUA)—The first two volumes of a three-volume collection of selected documents of the party since its 13th National Congress have been published and are available nationwide.

Authorized by the party's Central Committee, the collection was compiled by the party literature research center and published by the People's Publishing House.

The first two volumes include party documents from 1987 to 1990, or from before the 13th National Congress to the Seventh Plenary Session of the 13th party Central Committee. The volumes comprise 124 articles in 860,000 characters; one quarter of the articles are published for the first time.

The third volume of the collection will be published after the party's 14th National Congress, to be held in late this year.

The publication features the glorious process of the second generation of the party's leadership headed by Deng Xiaoping and the third generation headed by Jiang Zemin in leading the whole party and country in building socialism with Chinese characteristics, party officials said.

The articles also reflected the principles and important decisions of the party and government on a series of important economic, political, cultural and military issues, the officials said.

The new collection will complete the book series on the party's modern documentation. Earlier publications have included the selected important documents of the party since the Third Plenum of the 11th party Central Committee, and the selected important documents of the party since the 12th National Congress.



## Science & Technology

### Li Peng Receives Shaanxi Coal Prospecting Team

HK2701144592 Xian Shaanxi People's Radio Network  
in Mandarin 0030 GMT 18 Jan 92

[Excerpt] The provincial No. 185 Coalfield-Prospecting Team, which made brilliant success in prospecting the (Tiantu) coalfield and attracted worldwide attention, was granted the title national meritorious geological prospecting unit at the national meeting to commend meritorious geological prospecting teams held at the Great Hall of the People on 15 January 1992 and was received by party and state leaders Li Peng, Song Ping, Zou Jiahua, et al.

The provincial No. 185 Coalfield-Prospecting Team is a heroic team. Since the team was organized in 1958, it has prospected for coal in [words indistinct] Plateau, Qinba mountainous region, the area around the (Weishan) Hu, and (Maowushu) Desert, prospecting an accumulated area of 14,000 square km with a drilling footage amounting to 580,000 meters. The coal deposits proven by them added up to 100 billion tonnes, accounting for 46 percent of the proven coal deposits provincewide. Each team member discovered 130 million tonnes of coal deposits on average, and the team has provided reliable technical information for the construction of a large number of coal mines. Especially in 1981 when the team came to Yulin area in northern Shaanxi, they spent only a little over one year prospecting the (Tiantu) area, which totals 780 square km, in the north of Yulin and finally discovered the (Tiantu) coalfield, which is the biggest of the eight major coalfields found in the world. [passage omitted]

### Nie Rongzhen, Song Jian Visit Space Society

OW2901113092 Beijing XINHUA Domestic Service  
in Chinese 1202 GMT 28 Jan 92

[By reporter Li Xiuqing (2621 4423 3237)]

[Excerpt] Beijing, 28 Jan (XINHUA)—This year is the International Year of Space. At a Spring Festival forum today attended by space exploration experts, a responsible individual from the China Astronautics Society read the inscriptions by Marshal Nie Rongzhen and State Councilor Song Jian to mark the International Year of Space and announced that the society will sponsor five activities this year to mark the occasion.

Marshal Nie Rongzhen's inscription reads: "Develop the astronautics industry for mankind's well-being." Song Jian's inscription reads: "Strengthen international cooperation in the peaceful use of space." [passage omitted]

### Song Jian Wishes Antarctic Team Happy New Year

OW0302012492 Beijing XINHUA Domestic Service  
in Chinese 1448 GMT 2 Feb 92

[Text] Beijing, 2 Feb (XINHUA)—Over a microwave phone call made from Beijing this evening State Councilor

Song Jian conveyed warm regards on behalf of the State Council and all the comrades of Chinese science and technology circles to all the comrades of the antarctic research team working at the Changcheng [Great Wall] Station, the Zhongshan Station, and on the "Jidi" ship and wished them a Happy Chinese Lunar New Year.

Song Jian said: China has scored great successes in scientific research at the South Pole under the correct leadership of the party's Central Committee and the State Council and with support from all the Chinese people. China has already drawn up an "Eighth Five-Year" Plan and a 10-Year Program for work at the South Pole. The focal point of the work is to make all-out efforts to step up scientific surveys and research and strive to achieve successful results at the world level. It is precisely for the purpose of achieving this objective that you, comrades, have undertaken assignments at a place far away from the motherland and your families, united together and worked hard under very difficult conditions, and accomplished various scientific research missions at the earlier stage with outstanding performances. Your performances have demonstrated the unyielding, dauntless heroism of the Chinese nation as well as its indomitable spirit in keeping this initiative in its own hands and striving to become stronger, and thus setting an example for China's science and technology circles.

Song Jian eagerly expressed the hope that comrades of the antarctic research team will live up to the expectations of the party and the people by displaying the antarctic spirit and a down-to-earth work style, quietly immersing themselves in hard work, uniting together for arduous struggle, and cooperating with each other to tackle key problems, thereby making joint efforts to courageously forge ahead for the purposes of peaceful exploitation of the South Pole by mankind, promoting the development of science and the national economy, meeting the challenges of a new technological revolution, and enabling socialist China to stand on its own feet among the multitude of nations in the world.

Xu Zhijian, deputy secretary general of the State Council General Office, and Zhang Xusan, Yan Hongmo, and Sun Honglie, vice chairmen of the State Antarctic Research Committee, also spoke over the phone to convey their regards and solicitude.

### Zhou Guangzhao on Cooperation in Science

OW2701171992 Beijing XINHUA in English  
1447 GMT 27 Jan 92

[Text] Beijing, January 27 (XINHUA)—About 300 prominent members of the prestigious Chinese Academy of Sciences gathered at the Great Hall of the People here today to mark the coming of the Chinese New Year.

Speaking at the gathering, Professor Zhou Guangzhao, president of the academy, expressed his New Year greetings to "all Chinese scientists, particularly middle-aged and young scientists working in every corner of the country."

"Although they work and live in simple, sometimes crude conditions, middle-aged and young Chinese scientists are the backbone of the development of science in China," he noted.

He called for an improvement in their living and working conditions and urged the senior scientists to offer more help to younger people.

Professor Zhou also sent his best wishes to Chinese researchers and students working or studying abroad, scientists in Hong Kong, Macao and Taiwan as well as foreign scientists of Chinese heritage.

"I hope in the new year scientists from the mainland, Hong Kong, Macao and Taiwan will have more exchanges and cooperation in pursuit of the prosperity of our motherland," he said.

According to Zhou, the Chinese Academy of Sciences has scheduled to hold its sixth congress on April 20 this year.

"At the meeting, we will discuss the latest developments of science and technology in the world and work out new proposals for scientific development in China for the next decade," he added.

#### **Australian Satellite To Be Launched From Xichang**

*OW0302144792 Beijing Central Television Program One Network in Mandarin 1100 GMT 3 Feb 92*

[From the "National News Hookup" program]

[Text] The first communications satellite which China will launch for Australia in March has been successfully delivered to the Xichang Satellite Launching Center.

This new-generation satellite, developed by the U.S. Hughes Corporation, was shipped from the United States on 28 January and arrived in Guangzhou on the morning of 29 January. It was flown to Xichang the same day.

In accordance with China's policy of launching satellites for foreign countries, the satellite only went through the needed customs clearance when it arrived in Guangzhou; all other formalities were exempted. Personnel of the U.S. Hughes Corporation and the Australian Satellite Corporation had arrived in the Xichang Satellite Launching Center earlier.

Chinese personnel will give up their reunion with their families during the Spring Festival. They will work earnestly at their commanding, testing, controlling, launching, and logistic support posts in preparation for the launching of the satellite.

#### **Breakthrough in Nuclear Fuel Research Reported**

*HK0602103092 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0713 GMT 25 Jan 92*

[Text] Beijing, 25 Jan (ZHONGGUO TONGXUN SHE)—A report by the China Nuclear Industry Corporation said China had made a major breakthrough in the

key technology for refinement of fuel for fast thermal coupled reactors [kuai dui ran liao 0816 1018 3595 2439].

Fuel cores [ran liao xin kuai 3595 2439 5361 1040] are the "heart" of the fast thermal coupled nuclear reactor. The refinement of such fuel cores is the very technological key to the development of the fast thermal coupled reactor. A fast thermal coupled reactor experts group under the State Science and Technology Commission designated Plant No. 404 to undertake the development of fuel cores for the fast thermal coupled nuclear reactor four years ago. The development project has been successfully finished recently.

China is now intensively developing its neutron reactor. This new type of reactor will substantially raise the burning efficiency of nuclear fuel.

#### **Computer Company To Boost Scientific Development**

*HK0202024292 Beijing CHINA DAILY in English 1 Feb 92 p 2*

[By staff reporter Wu Yunhe: "Stone: Honing Its High-Tech Edges"]

[Text] A computer pioneering company has drafted a plan to boost the nation's scientific development.

The Beijing Stone Group Corporation, China's largest non-governmental hi-tech enterprise, will concentrate its efforts this year on enhancing the ability of high technology development and production in order to edge into the world market, a senior company official said.

"Our goal is to raise the annual business turnover to 10 billion yuan (about \$1.8 billion) by the year 2000, with an annual growth rate of 25 percent," said Duan Yongji, the company's president.

The Stone Group is located in Beijing on Zhongguancun Street, China's "silicon valley." And economists say that as the valley's major member, Stone can, in the near future, help heighten China's status as a main international electronics producer.

To this end, the company has decided to spend the '90s setting up a worldwide electronics research, development, production and trade network as part of an effort to turn itself into a global computer giant, Duan said.

"We are ready to co-operate with any foreign counterparts that have made headway in developing computers," he said.

Typewriters and word processors are now the company's flagship products. Stone's business scope also includes computer software and hardware, electronic components, mechanical engineering equipment, instruments and laser photo equipment, automatic mechanical and electronics equipment and cable telecommunication equipment.



Last year, the company's total business turnover topped 2 billion yuan (\$370 million), up 640 million yuan (\$118 million) over the previous year.

Profits rose to 100 million yuan (\$18.5 million) last year from 60 million yuan (\$11 million) in 1990. Stone also earned more than \$20 million from exports last year, an 18 percent increase.

The company hopes to be exporting a third of its annual total production value by the start of 1994. It now has an annual industrial production value of at least 500 million yuan (\$92.6 million).

The Stone Group includes the Stone New Technology Industrial Company, the Stone Finance Company, 24 subsidiaries, eight Sino-foreign joint ventures, two affiliated enterprises and six overseas enterprises and administrative organizations.

Stone will pool its strength to get abreast of the latest market trends and zero in on developing markets in the United States, the republics of the former Soviet Union, Eastern Europe and Africa, in order to ensure their plan's success.

"The company plans to set up more hi-tech bases producing printers, computers and equipment for electronics products at home and abroad," Duan said.

#### Environmental Quality Said To Remain 'Stable'

OW2801093792 Beijing XINHUA in English  
0854 GMT 28 Jan 92

[Text] Beijing, January 28 (XINHUA)—China has made much progress in environmental protection and the environmental quality has remained stable, according to the State Environmental Protection Bureau.

An official from the bureau said that in 1991 all the environmental protection workers made efforts to implement the decision on further stepping up environmental protection measures issued by the State Council and extended the responsibility system in environmental protection.

More than 230 cities took part in the comprehensive test on the control of environmental pollution, and many cities have adopted a system to charge on the pollution drains and to issue certificates for pollution drains.

In the effort to revitalize the large and medium-sized state-run enterprises, environmental protection departments at various levels help the enterprises readjust their production structures and step up the enterprise environment management, which includes improving the consumption of energy and raw materials, and reducing the industrial pollution drains.

According to China's environment newspaper, from 1992 on, the environmental protection annual plan will be part of the national economic and social development

program and the environmental protection demonstration project will be included in special projects.

Many municipalities and provinces including Beijing, Liaoning, Shandong, Gansu and industries such as metallurgy, chemical industry, non-ferrous metal industry, oil and natural gas industry and shipping industry have included environmental protection in their annual production plans.

#### First Literary Journal on Environment Launched

OW0102111792 Beijing XINHUA in English  
1032 GMT 1 Feb 92

[Text] Beijing, February 1 (XINHUA)—China has launched a literary magazine here on environmental protection, the first of its kind in the country.

Named "Green Leaf", the magazine has received endorsement from both literary circles and environmental protection departments.

At an inauguration reception Thursday, vice-chairman of the Chinese Writers Association, Feng Mu, said that the interrelationship between nature and human beings has since old times been an important theme of literature. To protect and improve the environment is an obligation not only for environmental workers but also for writers and poets.

Deputy Director of the State Environmental Protection Bureau Jin Jianmin called on the whole society to support the magazine and raise the nation's awareness of environmental protection.

Bo Yibo, vice-chairman of the party's Central Advisory Commission, wrote an inscription to mark the launching of the magazine.

### Military

#### QIUSHI Urges Military Faith in Socialism

HK0302014092 Beijing QIUSHI In Chinese No 24  
16 Dec 92 pp 37-40

[Article by Wang Jiyun (3769 4949 0061), Wei Hanxin (7614 3352 9515), and Li Weixing (2621 5898 2502): "An Important Strategic Task in Strengthening Armed Forces Political Development—Summary of Air Force Seminar on Deepening Faith in Socialism"]

[Text] A firm faith in socialism is the most basic cohesive and motive force in guaranteeing our country's thriving development and in maintaining a firm and correct policy orientation in the people's Armed Forces. In a situation where the world's socialist cause has met temporary difficulties and setbacks, how to guarantee that our force's cadres and fighters maintain a firm socialist conviction is a major question which requires serious attention and deep research and understanding. To deepen and improve education in socialist faith

among Air Force units and strengthen political development of the forces, the Air Force Political Department recently convened, in Shanghai, a seminar on deepening faith in socialism. Gao Xingmin, Air Force deputy political commissar, and Ding Wenchang, Political Department head, led this meeting and gave speeches. Leading comrades from the Air Force and the Military Regions' Air Force organs as well as propaganda and theory workers of academies at and above army level and from some units, participated. The participating comrades earnestly gave speeches and studied and explored from various sides and angles questions related to deepening this education to further unify ideological understanding.

### **1. Education in Socialist Faith Occupies an Extremely Important Position in a Units' Political Development**

The participating comrades held that socialist faith has the clear characteristics of being scientific, principled, and firm, and it is a most valuable psychological characteristic and ideological prop for the cadres and fighters of our forces. When cadres and fighters are engaged in choice of action, self-appraisal, and morale readjustment, socialist faith will always provide them with a correct orientation which accords with the patterns of socialist development; a scientific standard for assessing right and wrong, and good and bad; and a strong motivation for carrying out duties and responsibilities and for overcoming difficulties and setbacks. This major role of socialist faith has been repeatedly proven by history and practice. Deepening the development of this education among the forces is a central link in ensuring that the cadres and fighters have strong and correct political faith and establish communist ideals, and is also a major aspect of political education in the forces. The basic theoretical education, current policy education, and regular ideological education in the forces must be carried out centered on adherence to the four cardinal principles and the firming of socialist faith and be grasped unrelentingly. The participating comrades pointed out that the problems which education in socialist faith needs to resolve are not only general problems of ideological understanding. It has to resolve more important questions, and a number of essential questions of political principle and political orientation, such as whether or not China should be travelling the road of socialism and whether or not Communist Party leadership needs to be upheld. These questions are tightly linked with the fate of the party and the state and closely related to our historical mission.

The participants uniformly held that deepening education in socialist faith is a major long-term strategic task. Seen from the international situation, the confrontation and struggle between the socialist and capitalist systems will continue for quite a long historical period. Western hostile forces have never relaxed their basic stand of hostility towards and desire to subvert the socialist system. The struggle between infiltration and counterinfiltration, subversion and countersubversion and peaceful evolution and counter-peaceful evolution will

continue for a long time. As long as the capitalist system exists, this struggle will not cease. Seen from the domestic angle, class struggle will continue to exist within a certain scope for a long period, and under certain conditions may intensify. This struggle is centrally manifested in the antagonism between bourgeois liberalization and adherence to the four cardinal principles, and the core of the struggle still lies in the question of political power. Added to this is the fact that our country is still in the primary stage of socialism and the level of the social productive forces is still far behind that of Western developed capitalist countries. This determines the necessity and long-term nature of education in socialist faith. Seen from the tasks which our force shoulders, as our force is a powerful pillar of the people's democratic dictatorship under the party's leadership, it plays an extremely important role in safeguarding the socialist system and in the struggle to oppose foreign aggression and to guard against subversion domestically. That our country has been victorious in checking turmoil and putting down the counterrevolutionary rebellion, as well as the lessons provided by the rapid change in other countries, powerfully proves from both the positive and negative angles the very great importance of the Armed Forces in smashing attempts at peaceful evolution. Further, the crux of whether or not the Armed Forces can play their appropriate functional role lies in whether or not they can, through powerful ideological and political work, educate and guide the broad number of cadres and fighters to have solid faith in socialism, to maintain the Armed Forces' proletarian nature, and to firmly follow the correct political orientation and to guarantee the party's absolute leadership over the Armed Forces. In this way, the gun barrels will always be subject to the party's command and will truly become a great wall of steel safeguarding socialism. Thus, carrying out deep education in socialist faith among the forces now constitutes the "commanding elevation" in ideological and political work among the forces, and is obviously extremely important.

### **2. Through Providing Rich Content and Opening Up Channels, Engaging in Education in Socialist Faith in a Lively and Solid Way**

The participating comrades held that in recent years, Air Force party committees have seriously implemented the relevant Central Military Commission and General Political Department demands, grasped education in socialist faith among the forces, explored and summed up some new experiences, and will continually apply these in education. At present, we should grasp well the following several issues:

We should use the theory of building socialism with Chinese characteristics to unify the ideological understanding of the broad number of cadres and fighters. The participants pointed out that, at present, some people, and especially young people, are experiencing confusion and doubts in respect of socialist faith. Summed up in one point, they do not understand the discrepancy between the theory and practice of socialism. Thus,

correctly understanding the theory and practice of socialism, and understanding history and the present, is an important question which has to be resolved in deepening education in socialist faith at present. By organizing the cadres and fighters to study the theory of building socialism with Chinese characteristics, it will be possible to engage in radical reform and raise ideological understanding. The theory of building socialism with Chinese characteristics is the product of combining the basic principles of scientific socialism with the realities of Chinese socialism, and is the theoretical guidance for the development of socialism in China and the final achievement of victory. Its formation and development has China's national situation as an objective base and it reflects the demands of our country's current situation and development trends. In studying this theory, it is first necessary to guide cadres and fighters to correctly understand and master the national situation. In accordance with Comrade Jiang Zemin's speech at the meeting to celebrate the 70th anniversary of the founding of the party, in which he summed up our country's basic national situation at the present stage, and in accordance with the realities of the targets of education and the key questions which have to be resolved in education, there is a need to study relevant aspects of China's modern history and CPC history. We must stress the strengthening of the concepts that China's revolution and construction require the upholding of Communist Party leadership, that socialism has already taken deep root in the the great land of China but we are still in the primary stage of socialism, and that the party's basic line accords with the basic principles of scientific socialism and also accords with China's national situation at the current stage, and this is correct. We must in an overall way, systematically and clearly explain to the cadres and fighters the basic principles as well as the basic economic, political, and cultural demands of building socialism with Chinese characteristics; explain that the various current policies of the party are specific manifestations of the theory of building socialism with Chinese characteristics; and fully use the great achievements realized in reform and opening up. In a way which seeks truth from facts, the cadres and fighters will see the socialist system's superiority and will further understand the scientific nature of the theory of building socialism with Chinese characteristics and the correctness of firmly following this road.

We must fully bring into play the function and role of regular ideological work. Some comrades pointed out that the establishment of socialist faith is not a process of change which can be achieved in one step. Rather, it is a gradual process of influence and change. This determines that education in socialist faith must stress focussed inculcation as well as regular nurturing. There must be systematic theoretical education as well as regular and gradual fostering. Thus, we must fully bring into play the special function and role played by regular ideological work in forming and firming faith in socialism. First, centering on the goal of building a contingent which "has ideals, morality, culture, and

discipline" and in accordance with the patterns of ideological change among cadres and fighters, we must grasp "hot" ideological questions, such as those of fame and gain, hardship and pleasure, life and death, honor and disgrace; and, in a targeted and planned way, carry out regular ideological work, strengthen life orientation, and lay down a firm ideological base for establishing socialist faith. Second, we must diligently seize those situations where it is easy for change to occur in the socialist faith of cadres and fighters, for example, when there are changes in the situation, readjustments in policy before and after home visits, when there are sudden family problems and so on; and, in a timely way, resolve the problems of understanding that relate to their socialist faith to achieve the aim of firming political faith through "invigoration and vitalizing." Third, we must stress observance of the overall situation while acting in accordance with local situations and, at all times, carry out positive inculcation through gradual osmosis. We must carry out education in socialist faith through down-to-earth and meaningful examples, self-education, and festival and commemorative activities to achieve "gradual influence, drop by drop." At the same time, we must also put great stress on bringing into play the "rapid effects" of education in the current situation and policies and regular ideological education, and thereby help the cadres and fighters in the current complex and ever-changing situation to firm up their faith. We must bring into play the advantage of "being close to reality" to guide the cadres and fighters to firm up their faith through resolving difficulties and explaining doubts. We must bring into play the superiorities of "explaining truths on the basis of events" to inspire cadres and fighters to firm their faith through rational thought. In this way, the various types of education will be carried out centered on faith and this will result in pooled efforts with each complementing the other.

We should use the great classroom of society to guide the cadres and fighters in achieving the education of practice. Many comrades pointed out that people's capacity to understand things and their level of understanding are subject to the degree and depth to which they have participated in social practice. Only by deeply grasping, on the theoretical level, the patterns of the historical development of society and, in practice, correctly understanding the development of the socialist movement will it be possible to establish and consolidate socialist faith on a scientific and practical base. As today's young people have grown up in a period when the international communist movement is experiencing temporary setbacks and they do not have the keenly felt pain in respect of the old system, many people do not know or know little about China's past or the history of the crimes of capitalism, and do not have a great understanding of China's national situation. On the contrary, all they see is the temporary prosperity of the Western developed countries and this has harmful effects on the further strengthening of their faith in socialism. Thus, organizing them to participate in social practice in a targeted and planned way so that they can draw nutrition from



the great classroom of society is an extremely necessary link in doing well in education in socialist faith. Through organizing their participation in industrial and agricultural construction, the providing of relief in emergencies, assisting the people in their labor, engaging in social investigations, investigative visits, joint military-civilian construction, and such activities, we will assist the cadres and fighters to fully understand the national situation and learn about the people's situation. Thereby, they will be able to really understand the brilliant history of the people's struggle in revolution and construction under the party's leadership, and will understand that the present situation in the motherland was not easily won. Thereby, they will also come to personally know of the arduous and complex nature of socialist construction and this will strengthen their mental capacity to bear the tests of complicated struggle. In recent years, some units have, in education in socialist faith, "obtained materials locally" and used the lively materials of great achievements in socialist construction in the hometowns and families of cadres and fighters or in places where units are stationed, to guide cadres and fighters in educating themselves, and through regular discussions and new contents achieved results which could not have been achieved in classroom teaching. The participants in the conference pointed out that carrying out practical education requires careful choice and scientific planning of the contents of practice. In the course of practical activities, it is necessary to persist in discussing principles on the basis of events and to use a Marxist stand, viewpoint, and method to examine and analyze the contents of practice. Then, after the conclusion of the practical activities, it is necessary in a timely way to guide everyone to raise their perceptual understanding to a rational understanding.

Implementing correct interests orientation. [sentence as published] Some comrades pointed out that the establishment of faith cannot be divorced from interests and needs. Marx said that everything that people struggle for is always related to their interests. Only after people recognize the relationship between the socialist system and people's immediate interests and actual needs will this understanding be able to change into personal faith and values. In implementing correct interests orientation, first it is necessary to reveal the benefits of the socialist system. It is necessary to show that this theory is the revolutionary tradition by which the proletariat and the laboring people sought liberation and clearly explain that the socialist economic and political systems are the basic guarantees that the proletariat and laboring people can be masters and are manifestations of the masses' basic interests. When carrying out our education in reform and opening up, it is necessary to show the cadres and fighters, through specific examples, the great changes which have occurred in our country in the last 10-plus years and the real benefits obtained by the broad number of workers and peasants. When carrying out education in opposing peaceful evolution, it is necessary to analyze the serious effects which peaceful evolution has had on some socialist countries, and demonstrate

that the socialist system and the basic interests of the proletariat and the laboring people are tightly linked. In this way, not only will everyone's understanding of socialism be that of a political concept, but it will also be understood as an innate requirement of one's own interests. In this way, it will be possible to change the idea of "they wanting me to have firm faith" to one of "me wanting to have firm faith." Second, it will be necessary to provide correct guidance in terms of personal interests. It is necessary to see questions from the angle of basic, overall, and long-term interests, and overcome the tendency to view socialism's superiority only in terms of how fast it brings benefits to one's own family, and to see the success or failure of reform and opening up only in terms of personal gains or losses. Rather, narrow individual and family interests must be raised to an overall socialist view of interests. Third, it is necessary to transform the understanding of cadres and fighters of socialism's superiority and their concern for personal interests into real actions of arduous social struggle. We must also guide everyone to subordinate their personal interests to those of the revolution, to love the Army, to devote themselves to national defence, to work contentedly while on active service, and to do well in their own job to raise the forces' fighting effectiveness.

Following the changes in the development of the situation and the forces' ideology, we must strengthen theoretical guidance of education. The participating comrades held that in deepening education in socialist faith, not only must we correctly propagate Marxist theory, but we must also refute the various mistaken ideologies and reactionary views spread by hostile forces and answer and resolve difficulties and key questions in the ideological understanding of cadres and fighters. These aspects must all be handled through strengthening theoretical research. In a certain sense, the depth of theoretical research determines the depth of education in socialist faith. Theoretical research must be based on reality and must serve the strengthening of education. In respect of those questions over which doubts are expressed during the forces' education, especially those highly theoretical, difficult, and basic questions, we must organize strengths to tackle them forcefully. Through deepening research and providing "convincing" and "thoroughgoing" propaganda materials which "grasp the basics of things," we must guide education to deeper levels. In this respect, we have already made some efforts and attained obvious achievements. In the future, we must continue to carry these forward.

### 3. Clarifying Points of Stress and Standpoints To Strengthen the Results of Education in Faith

Faith education must stress "encouraging zeal." The participating comrades pointed out that whenever the revolution suffers setbacks, a clear characteristic of the fluctuations in political faith is often worries about the future and the fate of the revolution and a lack of confidence. In the current situation, when the international socialist cause has suffered difficulties and setbacks, education in socialist faith must especially put



efforts into "encouraging zeal." This accords with the positive education policies which our party and our forces have consistently advocated and stressed. We must guide the cadres and fighters to clearly understand the proletarian political party's historical experiences in firming the people's faith when the revolution was suffering difficulties. Also, we must guide them to understand from the high plane of a social historical viewpoint, that setbacks and low tides are a form of the social development process, and that within this form there exists an innate impulse factor for turning the situation into a high tide. We must explain clearly to cadres and fighters the benefits and disadvantages at present for upholding socialism, and stress the benefits so that in times of difficulty they can see clearly, can pluck up their courage, and can strengthen their faith in pushing the socialist cause forward.

We must strengthen the concept of the party's absolute leadership as a standpoint in deepening education in faith. Participating comrades held that education in socialist faith is a common demand for the entire society. That is, we must firm people's faith in socialism's inevitable victory. However, in different spheres, there are special requirements. That is to say, in the light of specific work tasks, efforts must be made to turn the rigid seeking of rationality into a spirit of struggle in practice. As far as the Armed Forces are concerned, we must strengthen the concept of the party's absolute leadership over the Armed Forces and become sworn loyal defenders of the party and socialism. Upholding the party's absolute leadership over the Armed Forces is not only a basic requirement of our Armed Forces' proletarian nature, but is also a centralized manifestation of the socialist faith of cadres and fighters. This requires, on the basis of carrying out education in respect of the party's absolute leadership over the Armed Forces and, in accordance with the new situation, the use of new facts to carry out education and, on the basis of combining theory and practice, the deepening of understanding in this respect. We must deepen criticism of the mistaken ideas of "removing the party elements" and "depoliticizing" the Armed Forces, and clearly understand that nowhere in the world are there armed forces which transcend class or are divorced from politics. Without the positions of the party and socialism, the people's armed forces would have no position. Thus we must establish the concept that the people's Armed Forces share a common fate with the party and socialism. In education, we must strongly propagate and inculcate these ideas and stimulate the sense of historical responsibility of cadres and fighters to safeguard, in this acute and complex struggle, party leadership and the socialist cause, so that they are always loyal to the party, the state, the people, and socialism.

## Economic & Agricultural

### Economists Discuss Deepening Reform

#### Part One

HK2901151092 Hong Kong CHING CHI TAO PAO  
in Chinese No 3, 13 Jan 92 pp 3-7

[Article by staff reporter: "China's Economy: Economic Rectification and Improvement Have Ended, How Should Reform Be Deepened?—Excerpts of Speeches by Eight Economists at Beijing Seminar" (Part One); first three paragraphs are CHING CHI TAO PAO introduction]

[Text] China's economy has entered a new period following the conclusion of the three-year economic improvement and rectification.

In this new year, how will the Chinese Government relax its retrenchment policy in macroeconomic control? How should large and medium state enterprises be invigorated? What are the trends in rural policies and foreign trade structural reform? Can reform be speeded up? These questions have stirred up concern and should be discussed from different aspects.

On 17 December 1991, CHING CHI TAO PAO sponsored a "Forum on Trends in China's Economy and Deepening Reform in 1992" at Beijing's International Hotel. Eight famous Chinese economists attended the forum (see name list) and CHING CHI TAO PAO director Chen Po-chun presided. Chief editor Chen Ko-kun, assistant chief editor Kao Wen-fan, and a Beijing-based staff reporter took part in the forum. Excerpts of speeches at the forum will be published in two installments.

Names of economists present at the forum (listed in order of making a speech):

Gui Shiyong, vice minister of the State Planning Commission

Dong Fureng, honorary director of the Economic Research Institute under the Chinese Academy of Social Sciences

Zhou Shulian, director of the Industrial and Economic Research Institute under the Chinese Academy of Social Sciences

Zhang Zhuoyuan [1728 0587 0337], director of the Financial, Trade, and Economic Research Institute under the Chinese Academy of Social Sciences

Yang Peixin, researcher in the State Council's Development Research Center

Liu Xiangdong [0491 0686 2639], director of the Policy and Structure Department under the Chinese Ministry of Foreign Economic Relations and Trade

Chen Jiyuan [7115 0679 0337], director of the Rural Development Research Center under the Chinese Academy of Social Sciences

Dai Yuanchen [2071 0954 2525], researcher in Economic Research Institute under the Chinese Academy of Social Sciences

**Gui Shiyong:** After 10-odd years of reform, we have made noteworthy progress and gained much experience in integrating the planned economy with market regulation. The question now is how to further deepen reform and to overcome contradictions and shortcomings to carry out better integration. In my opinion, it is important to have a good idea about the following aspects:

1. Our understanding of the form to practice the planned economy should be changed in a such a manner that the planned economy is not regarded as something referring to mandatory plans alone. To cope with the development of the planned commodity economy, we should expand the scope of guidance plans and market regulation, while retaining some indispensable mandatory plans. Our general idea is this: We should display the role of plans in fulfilling economic development targets, maintaining a balance between aggregate social supply and demand, adjusting the major economic structure and arrangements and major activities involving the overall situation. Market regulation should be applied mainly to enterprises' production and operations, ordinary technical transformation, and small-scale construction. In using plans, we do not mean using all mandatory plans, but to guide and control economic operations we should work out industrial policies, plans for all trades and undertakings, regional policies, economic methods, and legal means.

2. We should continue to carry out price reform steadily and set up a complete market system. This is an important condition and link in integrating the planned economy with market regulation. Our price system is irrational now, particularly the prices of primary, industrial, and agricultural products, the first being too low and the other two being distorted. In addition, our commodity market is imperfect, the market for production materials is just taking shape, and regional blockades and market separation are very serious. Therefore, we should be active and steady in carrying out price reform and setting up a unified, complete, and competitive market system. Our general idea is this: The prices of a small number of major products and labor service charges should be fixed by the state, whereas the prices of the larger number of products and labor service charges should be subject to market regulation. It is necessary to deepen the reform of the commercial and materials systems, to expand the market network, to remove obstacles and barricades, and to improve market planning and circulation facilities. In improving and expanding the commodity market, the market for production materials should be gradually developed.

3. We should be active in reforming the enterprise operational mechanism and increasing the vitality of enterprises, particularly large and medium state enterprises. This is the basic condition for integrating the planned economy with market regulation and is also a

key link in the entire economic structural reform. The objective of enterprise reform is to separate government administration from enterprise management, and ownership from operational rights, so that all state enterprise will become socialist commodity producers and dealers, assuming sole responsibility for their own profits and losses. For now, we should seriously implement the 20 measures proposed by the Central Committee and Enterprise Law to deepen enterprise reform. In the meantime, the leasing and shareholding systems should be practiced on a trial basis, and efforts should be made to probe different public ownership methods.

4. We should improve the macroeconomic control system for the planned commodity economy. First, we should improve the indirect regulatory mechanism and straighten out the relations between planning departments, financial departments, and banks to form a rational work division and close cooperation between them and strengthen their macroeconomic control. Second, central and provincial authorities should make a clear distinction between their administrative rights, financial rights, and economic regulatory rights, to gradually form a two-tier regulatory system between central and provincial or city authorities and to integrate necessary centralization with appropriate decentralization. Third, we should set up a scientific economic policy-making system and structure and strengthen the democratic procedures for economic policymaking as well as the responsibility system. In the meantime, we should speed up our economic legislation to facilitate the regularization and systematization of economic operations and control.

These are major issues which should be solved in integrating the planned economy with market regulation. They are related to each other and should be carried out in coordination with each other. In addition, we should also reform the labor and wage system, the social protection system, and the housing system. In short, the integration of the planned economy with market regulation is an issue with a wide range of contents. This integration will undergo a historical process. In different periods, the scope, ratio, and method of integration of the planned economy with market regulation vary because the development level of the productive forces is different, market maturity is different, and the environment and tasks for economic and social development are different. The main criterion in judging if the integration between these two is good is whether or not this integration benefits the sustained, steady, and coordinated development of the national economy and whether or not it is conducive to the improvement of economic results and to social stability and progress.

**Dong Fureng:** A central work meeting in September 1991 pointed out that the main tasks in economic rectification had been basically fulfilled. This means that inflation has been effectively controlled, the price increase index has dropped by a wide margin, some headway has been made in the industrial structural adjustment, and the

economic order has been markedly improved. Prominent achievements have been made during the three-year economic rectification. However, at a time when the economy is entering a normal development period, we should be aware that in-depth problems causing economic overheating, serious inflation, price raises, and economic confusion, all of which took place in 1988, have not been fundamentally solved. For example, the industrial structure still remains unbalanced and enterprises' worsening economic results have not been fundamentally changed. Therefore, in 1992 we should adjust the industrial structure and improve economic results in the course of maintaining a basic balance between aggregate social supply and demand. In this way, we will be able to consolidate and develop the achievements in economic rectification.

The success of economic rectification in controlling inflation and price hikes should be attributed mainly to government financial and monetary policies. The market still remains undeveloped and unimproved, despite some progress, and also remains quite weak in optimizing resource arrangements. Furthermore, it is difficult to display the market's weak functions due to restrictions by the economic structure. For example, enterprise reform has not proved very successful, the social protection system has not been established, and there are many problems in the price system. Apart from this, state enterprises which should have been scrapped are still there, and state enterprises which should have stopped production or merged are still operating.... In other words, the market mechanism cannot display its role in adjusting the structure of state assets. This is an important reason why enterprises' economic results have worsened since economic rectification, instead of turning for the better.

An analysis of the achievements and problems in economic rectification will provide us with much enlightenment and help us deepen structural reform and improve our national economic management. During the last 10 years or so, there have been relapses in our understanding of some basic questions concerning reform (such as relations between the planned economy and market regulation). Each relapse has affected the orientation and process of reform and caused some setbacks in reform. These relapses have resulted from the complexity of problems (for example, people in foreign countries have debated the relations between plans and markets for decades). The second reason is that we have not seriously summed up our practice. In our country and abroad, there are still successful and unsuccessful experiences. The current economic rectification has given us some useful experience. For example, it reminds us that we should display market functions in optimizing resource disposition. If the market mechanism proves ineffective, government plans can intervene and regulate, but the intervention and regulation by government plans should proceed through the market mechanism. Expected results can be achieved only by applying the market mechanism properly and following its law. This will also help optimize resource disposition.

It also tells us that it is possible to set up a regulatory market operational mechanism and a planned commodity economic structure. For this purpose, we should develop and improve the market and build a corresponding macroeconomic regulatory structure. Let me give another example. Value-guaranteed deposits, increased interest rates, controlled loans, and reduced government expenditure played an unexpectedly good role in cooling down economic overheating in 1988, in easing panic buying in different localities, and in stopping price hikes. However, the market turned weak as a result of excessive and overly long retrenchment, and many enterprises encountered unprecedented difficulties. Subsequently, the government took measures to relax the retrenchment policy, to lower interest rates, to increase loans, and to relax control over some commodity prices. Thus, the market began to recover and the economy saw a normal growth. These measures were successful because the government followed the market mechanism's law, relied on it, and displayed its regulatory role.

**Yang Peixin:** I would like to talk about how to invigorate large and medium state enterprises and deepen reform.

Large and medium state enterprises have now encountered serious difficulties. This year [as published] Guangdong has registered a 22 percent increase in its industrial production, but 36 percent of its large and medium state enterprises have incurred losses. On the one hand, its economic growth is fast, but on the other, a large number of its enterprises have incurred losses, and its financial deficits have also increased. A sample survey in Chengdu City suggests that 84 percent of its enterprises have incurred losses in one way or another. There are 214 large and medium state enterprises in Wuhan City of which about 24 percent are operating comparatively well, 50 percent have either gained meager profits or can only manage to scrape through, and 26 percent cannot afford to repay their debts.

To improve large and medium state enterprises, the CPC held a central work meeting clarifying that this was a key issue in the present economic work. During the meeting Li Peng raised 20 measures for invigorating these enterprises. Jiang Zemin pointed out that central and local initiative should be taken into account in invigorating enterprises. Concerned about enterprises' situation, local authorities took effective measures after the central work meeting and a reform upsurge is now taking shape in enterprises.

Beijing has formulated 15 detailed measures focused on emancipating the mind, deepening reform, changing mechanisms, adjusting structures, and improving economic results. Six methods are being introduced in Beijing: Contracting for investments and returns (following the Beijing Steel Factory's methods); improving the contract system; taking foreign-invested enterprises' mechanism for reference; running hi-tech industries; experimenting with the shareholding system; and "separating flow of taxes and profits." Apart from these six



methods, Beijing has also worked out new methods to provide a suitable environment for the invigoration of enterprises. Heilongjiang is introducing a five-year contract system for taxes and profits, whereby enterprises are classified into different grades according to their scale and the level of tax and profit they submit to the state. After fulfilling the relevant contract for tax and profit, an enterprise will be upgraded according to its growth rate and provided with some benefit every time it is upgraded. The higher it is upgraded, the more benefit it gets. It will be entitled to the larger portion of the profits overfulfilled. With the successful experiment of this practice in Jixi City, Heilongjiang is now popularizing it in Jijihai and Harbin Cities. Shanghai is treating state enterprises as it does foreign-invested enterprises. Some provinces are introducing the mechanism of township and town enterprises to state enterprises. Li Peng pointed out that the enterprise contract system should be upheld and improved; at the same time, the shareholding system and "separating the flow of taxes and profits" should be carried out on a trial basis. Measures taken by different provinces and cities throughout the country are specific manifestations of this principle.

Reforming the enterprise mechanism has now been put on the agenda. It has been clarified that enterprises should assume sole responsibility for their own profits and losses and should carry out self-transformation and self-development. Enterprises should enter, study, explore, and occupy the market. Some enterprises are reforming their operational, employment, and wage systems, during which employees can stay or leave of their own accord and cadres can work in higher or lower posts. Many enterprises are now reforming their in-house departments and operational mechanisms.

The year 1992 will be a year of deepening reform and widening the scope of opening up. In particular, much headway will be made in invigorating large and medium state enterprises and in developing high-yield, highly-efficient agriculture.

**Zhou Shulian:** Viewed from China's present situation, in invigorating enterprises, we should first enable them to become commodity producers and dealers and to have vitality. If enterprises are not commodity producers and dealers, they cannot have the vitality we demand, or we cannot even set any demand for vitality. Enterprises may not have vitality even after they become commodity producers and dealers. To have vitality, enterprises should take all kinds of measures.

Genuine commodity producers and dealers should assume sole responsibility for their own profits and losses. The more problems debated on the question of assuming sole responsibility for profits and losses, the more problems we should study. Some people deny the possibility of large and medium state enterprises assuming sole responsibility for their own profits and losses. I think this should be discussed. Large and medium state enterprises should have the necessary conditions if they want to assume sole responsibility for

their own profits and losses. For example, to separate government administration from enterprise management and practice autonomy in enterprises, there should be a developed market system and a rational price system. These conditions are not available to many enterprises but, if large and medium state enterprises do not assume sole responsibility for their own profits and losses, they cannot have a strong sense of responsibility, set up strict responsibility or management systems, build a perfect self-restrictive system, or get rid of their irrational practices. Viewed from both theory and practice, it is possible for large and medium state enterprises to assume sole responsibility for their own profits and losses. To put it more specifically, in assuming sole responsibility for their own losses, enterprises should use their income to cover their spending; if their income falls short of expenditure for a long time, they should declare bankruptcy. This is the case with many state enterprises in foreign countries. If they can do that, why can our state enterprises not do the same? We should discuss the ways for large and medium state enterprises to assume sole responsibility for their own profits and losses. Some people suggested the shareholding system. I think this is a good method. When I visited the United States, I saw that the Massachusetts, New York, and New Jersey Harbor Administrations were assuming sole responsibility for their own profits and losses. They are not shareholding companies but assume sole responsibility for their own profits and losses. Thus we understand that the shareholding system is not the only way for state enterprises to assume sole responsibility for their own profits and losses. The contracted management responsibility system can be taken as a method to assume sole responsibility for profits and losses.

Viewed from the angle of deepening reform and invigorating enterprises, enterprises should have autonomy in expanding their production for self-transformation and self-development. However, some people are worried that enterprises have had too much autonomy in expanding their production and accuse theoreticians of overstressing this problem. I do not agree with them. Large and medium state enterprises enjoy big percentages for profit retention but make limited investments. They do not have proper autonomy in making investments and have to follow orders in most cases. Such being the case, it is necessary and comprehensible to stress that large and medium state enterprises should have autonomy in making investments.

Is it that all state enterprises should become commodity producers and dealers after reform? No. Due to their different operational natures and tasks, some state enterprises cannot be turned into commodity producers and dealers. These include state enterprises of a naturally monopolized nature, state enterprises for public benefit, military state enterprises, and state enterprises undertaking national economic tasks and incurring losses for policy reasons. These enterprises will remain state-owned and state-run. A small number of them should be given certain autonomy for management and should set

up a strict system on assuming sole responsibility for profits and losses. The majority of state enterprises should become commodity producers and dealers. Some people suggested that state enterprises should become commodity producers and dealers after being reorganized. In my opinion, the organizational structure of state enterprises is now irrational, but it is difficult to turn state enterprises into commodity producers and dealers after reorganizing them by administrative means. This does not correspond with the principle of deepening reform. Some administrative measures can be adopted to rationalize their organizational structure, but it is hard to rationalize it by "reorganizing them" alone. Only by deepening reform can we achieve this end.

### Part Two

HK0102075492 Hong Kong CHING CHI TAO PAO  
in Chinese No 4, 20 Jan 92 pp 3-7

[Article by staff reporter: "China's Economy: Economic Rectification and Improvement Have Ended, How Should Reform Be Deepened?—Excerpts of Speeches by Eight Economists at Beijing Seminar" (Part Two)]

### Guard Against Growing Inflationary Pressure, Insist on Market-Oriented Reforms—by Zhang Zhouyuan

After going through three years of economic improvement and rectification, China's economy has basically entered a stage of normal development, which is mainly reflected by the following: The economy is growing at an appropriate rate and the annual GNP growth rate stands around 6 percent. The economic structure has showed some improvement; supplies of agricultural products have increased; and the short-term targets in terms of energy, transportation, and communications have been strengthened to a certain extent. The general price level has tended to be stable, or basically stable, for two years running. The basic stability in the general price level indicates a basically balanced total economic capacity, and there will not be any major imbalance between total demand and supply in the coming year. Barring extraordinary natural calamities, if we can attain a moderate economic growth and maintain the future annual GNP growth rate at about 6 percent, we can ensure a basic balance between total demand and supply, and bring about a stable development to our economy.

At present, we should guard against the increased pressure of inflation, which has resulted from the excessive new loans since the fourth quarter of 1989. The new loans totalled 120 billion yuan in the fourth quarter of 1989 at a growth rate of 17.6 percent; 137.1 billion yuan in 1990 at a growth rate of 22 percent; and about 280 billion yuan in 1991 at a growth rate of 18.5 percent. The growth rate of currency (referring to M2, that is, the total amount of cash issuance and various bank deposits except financial department deposits) supply stood at 14.93 percent in 1989 and 28.2 percent in 1990, a rate much higher than that of the economic growth. Recently,

banks have stopped the practice of inflation-proof savings deposits. In my opinion, such a move needs a second thought. I do not think it necessary to abolish inflation-proof savings deposits, for they are beneficial to stabilizing the savings mentality of the masses.

Why has the currency supply been much higher than the economic growth rate, even higher by more than 10 percent, over the past two years and more, and not resulted in inflation or drastic price hikes? Is it because the functions of currency circulation rules have already changed, or that the period of stagnancy has been prolonged to a great extent? This question requires thorough study. Otherwise, we will fail to be well prepared mentally when "the wolf really comes," that is, when inflation pounces on us again.

The basic balance in the total economic capacity has provided us with a relatively flexible environment for deepening economic reform. We should seize this opportunity to vigorously push forward economic reform. At present, enterprise reform has lagged behind, and the management mechanism of enterprises has not yet transformed completely. Under the existing management mechanism, enterprises only assume responsibility for their own profits, not for losses; they do not have to die even if their economic performance is extremely poor; and they fail to completely break with the old practices that "every enterprise eats from the same big pot of the state" and that "every employee has an iron rice bowl." In what ways shall we transform the management mechanism of enterprises? In my opinion, we should start with the following three aspects: 1) reduce the state's interference in the day-to-day operation of enterprises; 2) enable competitive enterprises to enter the market; and 3) try every means to lift control over prices. By so doing, we can enable enterprises to realize that they cannot always rely on the state; on the contrary, they should take an active part in market competition, and try to survive and attain further development through competing with others. As regards price reform, we should continue to rationalize price relations and further lift control over prices of those products which will not directly affect the national economy and the people's livelihood, as well as those which have relatively flexible demand and supply. One difficult task for the time being is to unify the planned prices with the market prices of means of industrial production. Although we are provided with fairly good conditions, that is, the gap between the planned and market prices has been narrowed, we are still faced with many obstacles in practical operation, especially the obstacles which hinder us from adopting market prices. Departments in charge are often reluctant to relax their control over prices, and many favor the adoption of planned prices. Under such circumstances, the price reform can be said to progress at a fairly slow pace. In the future, we need to quicken our reform pace in this field.

On the whole, we should persistently carry out a market-oriented economic reform, with an aim to set up a new

planned commodity economy system. Under the prerequisite of planned guidance and macroeconomic control, a market-oriented reform is designed to transform the previous inflexible system which mainly relied on a concentrated power and administrative management. In essence, a market-oriented reform means to restrict the influence of mandatory plans, reduce the government's interference in microeconomic activities, bring into better play the functions of market mechanisms, and enlarge the scope and proportion of market regulation so that society's limited economic resources can be distributed mainly by market forces. Meanwhile, we should also set out to improve mandatory plans, with a view to enabling mandatory plans to reflect changes in demand and supply as well as in the rule of value. A market-oriented economy aims to integrate the planned economy with market regulations, plan and regulate the macroeconomy, maintain a general balance and stability in the national economy, basically lift control over microeconomic activities, let the market regulate all microeconomic activities except the production and sales of those which have a direct bearing on the national economy and the people's livelihood, and enhance the efficiency of resource distribution and microeconomic operation. Once the new planned commodity economy system is set up, the market-oriented reform will be concluded.

#### **Direction of Foreign Trade Structural Reform—by Liu Xiangdong**

Since the beginning of 1991, China's foreign trade departments have generally adopted a new system of assuming full responsibility for their own profits and losses. Practice has shown that the new system has been carried out smoothly. Exports have registered a stable growth, imports have rebounded steadily, operational order has taken an evident turn for the better, the commodity mix has been optimized, economic returns have been enhanced, a sound balance has been maintained in trade, and the state's international payment capacity has been strengthened. All these show that the reform is successful. On this basis, in order to further improve and deepen China's foreign trade structural reform, we should concentrate our efforts on the following aspects:

#### **1. Deepen structural reform on the internal management mechanism of foreign trade enterprises.** This mainly includes the following:

- Strengthen the management of foreign trade enterprises. Foreign enterprises should work out an effective and feasible strategy on their future development and operations, and set up an accurate and nimble decision-making mechanism; establish a mechanism for opening up new markets and new commodities; maintain the enterprises' development vitality; build up a complete information collection and feedback system to provide services to decision-makers at all levels; in order to exercise strict management, establish a post responsibility system and a reward-and-punishment system, which closely integrate

responsibility with workers' rights and obligations; set up scientific and strict accounting and auditing systems, as well as supervision, inspection, and professional qualifications evaluation systems; and build up an effective and practical guarantee system for ideological and political work;

- Integrate industry with trade, and trade with industry (agriculture, and technology); and take the road of industrialization and formation of enterprise groups. On the voluntary basis of equality and mutual benefit, we should organize and build up a number of export-oriented enterprise groups or joint companies, which are headed by foreign trade companies and composed of a number of productive enterprises, possess real economic strength, and can integrate trade with industry (agriculture, and technology); and

- Step up efforts in internationalized operation. On the basis of thorough feasibility studies, we will invest and build a number of overseas industrial projects, including those for basic facilities to promote sales, for processing and assembling, and for exploration of natural resources.

#### **2. Improve and readjust the macroeconomic management system of foreign trade.** Our goal is to gradually learn to use economic levers, legal means, and macro administrative management means to regulate imports and exports to enable China's foreign trade management to adapt itself to international trade standards and to take a more active part in international trade activities. This mainly includes the following:

- Strengthen the building of systems, and regulate the management of administrative organs with various systems; free these administrative organs from numerous micromanagement affairs; and strengthen their macromanagement functions in terms of strategic planning, promulgation of policies and principle, legislation, and coordination;
- Perfect foreign trade legislation, carry out daily management in accordance with the law, and strive to promulgate and implement the "Foreign Trade Law" at an early date. Alongside a deepened foreign trade restructuring, we should promptly work out and perfect various supporting rules and regulations. Meanwhile, we should also step up our efforts to sort out relevant internal documents and regulations guiding foreign trade legislation, and make them public both at home and abroad as soon as possible; and
- Gradually adopt the management system which mainly relies on the effective utilization of various economic means including exchange rates, tariffs, taxation, and credit. In the future, we should set great store by utilizing the means of exchange rates to regulate exports. Such a practice will not only encourage exports, but also maintain an appropriate growth in imports. China will also adopt tariffs to regulate its foreign trade in accordance with international trade standards. China already lowered the



tariff on 40 imported commodities last year, and plans to reduce the tariff on 225 tax items this year. Alongside the progress of China's resumed bilateral substantial talks with GATT, China will reduce its general tariff level to a proper level set by GATT for developing countries. On this basis, China can make better use of tariffs to regulate the development of foreign trade in line with its industrial policy. In addition, by using foreign countries' experience for reference, China will exercise deferential preferential rates in foreign trade.

**3. Perfect the coordination and service system of foreign trade.**

We should proceed from our country's national conditions, use for reference the useful experience of all countries, carry out various joined activities to push forward the development of foreign trade enterprises, make a success in coordination and operation, and maintain a sound operational order.

**4. Expedite the structural reform of imports.** At present, the management system of imports is still irrational, and the state still grants subsidies to certain imported commodities. Import management mainly relies on administrative means and the existing examination and approval procedures on imports are quite complicated. The unduly high general level of tariffs on imported commodities and irrational structure have not only hindered a normal development of imports, but will also dampen the development of exports. If they fail to maintain an appropriate growth in imports, foreign trade enterprises will find it hard to make a unified plan in their efforts to assume full responsibility for their own profits and losses. Therefore, it is an increasingly urgent task that brooks no delay to carry out structural reform on imports, which mainly includes the following: Conditions should be created to gradually abolish state subsidies on certain commodities, so that homemade and imported products can compete with each other under equal conditions; the number of commodities restricted by import permits should be reduced by two-thirds within three years; the general level of tariffs on imported commodities should be gradually lowered to a level suitable for developing countries, and efforts should be made to use the state's industrial policy to guide imports. The administrative methods of examining and approving imported commodities should be gradually changed, so that imports can be regulated by such economic means as exchange rates and tariffs.

**5. Rationalize the foreign system at the prefectural (city) level.**

In a word, the purpose of foreign trade restructuring is to set up a new foreign trade system which integrates China's planned economy with market regulations, operates in line with the country's economic system, and suits international trade standards.

**Maintain Stable Rural Policy, Resolve New Emerging Problems—by Chen Jiyan**

China's rural policy can be summed up in four sentences: Stabilize the contract responsibility system on a household basis with remuneration linked to output; improve and perfect the management system in rural areas whereby unified management is combined with separate management; develop the socialized service system; and strengthen the collective economy. During the present stage of national economic development, we need to regard the study of rural work as one of the components of the entire national economy. We should relate our continued and conscientious study of microeconomic problems in rural areas with the national economy, and try to resolve these problems.

—We need to study the circulation of agricultural products: 1) how to appropriately integrate small-scale household production with the socialized market; 2) how to build the market and reform the agricultural products circulation system, including giving different guidance to different kinds of agricultural products, and working out concrete ways to integrate planning with market; and 3) the prices of agricultural products. Some people believe that the present price scissors between industrial and agricultural products are widening, yet others think they are narrowing. Still others even think there is a reversed price scissors between industrial and agricultural products.

—We need to study the different types of ownerships in rural areas.

The coexistence of different types of ownership which center around public ownership is an important step to persistently unify two basic points in rural areas. In my opinion, the establishment of the guiding position of the public ownership in rural areas throughout the country is a need to upholding the socialist orientation in rural areas and in consolidating the rural socialist front. At present, different localities are attaching different importance to public ownership; we should allow them to go on with their practice and need not put forward a so-called unified standard. On the other hand, it is necessary to restrict the activities of the self-employed and privately run economy; for example, they should only be allowed to carry out activities in certain circles, such as light industry, commerce, catering, and service. By doing this, even if the self-employed and privately run economy attains an unduly great growth, the socialist orientation will not be affected or threatened.

—We need to study the peasants' income.

We should give enough attention to the present situation wherein though production has increased, there shows no rise in the peasants' income. State Statistics Bureau figures show that the actual per capita income of urban residents in 1990 increased 5.2 percent, while the actual per capita net income of rural residents during the same period rose by a mere 0.2 percent. The sharp contrast between the two figures has aroused extensive attention.

Since the national economic improvement and rectification which started in 1988, China's agricultural situation has taken a turn for the better. In 1990, China had unprecedented good agricultural harvests; however, Chinese peasants earned 10 billion yuan less as a result of drops in the purchasing prices of agricultural and sideline products and spent 20 billion more as a result of increases in the prices of industrial products and means of production.

This tendency continues in 1991. We should conscientiously study and solve this problem, for our efforts in this field have a great bearing not only on agriculture itself, but also on the overall national economy as well as on China's economic development in the 1990's. Under the new situation of developing a rural commodity economy, to ensure a sustained and stable agricultural development, we should first solve the contradiction between the state and peasants in which the former sets eyes on output and the latter on income. With a decline in comparable agricultural interests, especially in comparable interests gained from crops planted, a sharp question has been placed in front of us as to how to maintain peasants' vitality in agricultural production, especially their potential enthusiasm in crop planting.

—We need to study the transfer of rural surplus labor and the urbanization of rural areas.

Over the past several years, tides of rural workers have emerged several times, thus exerting a great impact on China's social and economic operation. Although responsible departments have reiterated that rural workers are not allowed to spontaneously enter cities, it is an objective fact that there are surplus laborers in rural areas who will inevitably try every means to make a living. From a general point of view, we should mainly adopt the method of dredging to end the tides of rural workers. In addition, we should try our best to create and seek employment opportunities for rural surplus laborers. Only by so doing can we maintain social, economic, and political stability. Not all rural surplus laborers will be transferred to cities, a considerable number of whom can change their work without leaving their homeland, that is, "they can leave their villages without leaving the town, and they can work in factories without entering cities." However, in order to realize the goal of urbanizing rural areas, we should avoid implementing the aforementioned guiding principle in terms of absolutes. By relying on the strength of township and town enterprises as well as on the peasants' own investment, China's future road of urbanization may be featured by a number of new medium and small townships and towns in China's vast rural areas, which will become major settlements for the floating rural population. In such a way, we can gradually attain the goals of urbanizing and industrializing our rural areas.

#### Short-Term Goal Is Exit From Low-Efficiency Growth Dilemma—by Dai Yuanchen

It should be noticed that the low-efficiency economic growth in the past has given rise to a series of complications: The state is faced with financial difficulties; enterprises find it hard to attain further development; cities are plagued by various problems in urban reform; and workers and staff members see a low rise in their income though they expect a much higher one. To activate state-owned large and medium enterprises, the state needs to give more financial support to the enterprises; however, the financial resources have dried up as a result of the low economic efficiency. If they give more financial support to enterprises, state financial departments will find themselves in a tight corner. Under such circumstances, a virtuous circle is hard to create.

The low-efficiency economic growth is a syndrome which is attributable to many factors, including short- and long-term factors as well as factors relating to system, policy, total demand and supply, and economic structure. China has suffered from this syndrome for a long time, especially during the past couple of years when the growth of industrial production partially relied on newly added bank loans; the production growth is accompanied by a serious overstocking of products; and both industrial and commercial sectors are plagued by the heavy burdens of interest rates, higher costs, and a further decline in economic efficiency. In addition, the adoption of certain administrative measures to stabilize prices have not only hindered the market from playing its due functions, but also restricted market competitions, thus leading to a further drop in economic efficiency. What merits greater attention is that although economic readjustment originally aimed to optimize the economic structure, due to the lack of a mechanism of stock control and irrational prices, however, the guidance of interests are constantly creating imbalance in the industrial structure instead of optimizing it. As a result, the fear of losing jobs has stifled competition. The unduly stable structure of supply fails to keep abreast of the rapidly changing structure of consumption needs, thus making the already low economic efficiency become even lower. At present, the most difficult task for us is structural readjustment. When people are not provided with enough food and clothing, the relation between supply and demand is that "one had to eat whatever he was provided," and it was relatively easy to coordinate the structures of supply and demand of low-level daily necessities. However, during the transition period when people are heading for a fairly comfortable life, different contradictions have emerged: The proportion of demand for nondaily necessities in the entire structure of demand will become larger; hot consumption spots will constantly change as a result of consumption flexibility of nondaily necessities; and the supply structure will fail to suit the rapidly changing structure of demand. A more prominent problem is urban houses which are still regarded as social welfare. All these have hindered the demand structure from making further changes, restricted the formation of new consumption hot spots,

put investors at a loss, and slowed down the corresponding readjustment of the supply structure. The hot consumption spots in the 1980's, such as color televisions and refrigerators, have cooled down, and the momentum of excessive growth in demands which led to expanded production and high economic returns has already become part of history. During the present stage, if we fail to open wider space for consumption, add new consumption levels and contents, or create new hot consumption spots, we will be unable to end the present stagnant market sales and low economic efficiency.

The low-efficiency growth of high input and low output is mainly caused by the economic structure. During the past two years, there was more administrative interference in the market, including restricting output, speed, prices, and labor power, and arbitrarily imposing numerous apportionments of expenses. In addition, the state has worked out many policies to protect state-owned enterprises, thus increasing the reliance of these enterprises on governments of all levels. Local governments relax and tighten their control on loans and loan policies as they wish, thus making financial control and regulation a tool of their administration interference. The barriers between different localities have cut the unified domestic market into separate regional markets. All these have led to a decline in economic efficiency and hindered us from giving effective play to the market mechanism. The key cause leading to the low economic efficiency of state-owned enterprises lies in their internal structure. A fairly prominent phenomenon now is the "smick [si mi ke 2448 4717 0344]" phenomenon, that is, immediately after they pose as joint ventures, state-owned enterprise will soon turn deficits into profits. Although the "smick" phenomenon to turn state-owned enterprises into "joint ventures" is not a common practice, the phenomenon itself has showed clearly that separating government from enterprises and granting autonomy to enterprises is a fundamental way to bring about evident improvement to the economic efficiency of enterprises. As long as we adopt effective and feasible measures, we are sure to see results within a short period of time.

#### Article Discusses Economic Construction

OW2801033492 Shanghai WEN HUI BAO in Chinese  
24 Jan 92 p 6

[Article by Shen Baoxiang (3088 1405 4382): "Unremittingly Tackling the Central Task of Economic Construction"]

[Text]

#### I

In seeking to implement the party's basic line in an all-around manner, it is first necessary to focus on the central task of economic construction. In his speech at the rally commemorating the 70th anniversary of the

party's founding, Comrade Jiang Zemin said: "The fundamental task of socialism is to develop social productive forces. During the primary stage, we should display greater consciousness and firmness in giving top priority to this central task." The most important requirement for enhancing awareness about the central task of economic construction is to provide an objective ideological basis for defining the central status of economic construction.

After the Third Plenary Session of the 11th CPC Central Committee made a major policy decision to shift the focus of the entire party, Comrade Deng Xiaoping offered a timely explanation: "The level of our productive forces is very low and is far from meeting the needs of our people and country. This is our principal contradiction during the current period. Its resolution constitutes our central task." (*Selected Works of Deng Xiaoping*, 1975-82, p 168) Principal contradictions determine central tasks. The decision to specify economic construction as our central task is determined by the principal contradiction in our country's current stage of socialism.

In June of 1981, the Sixth Plenary Session of the 11th CPC Central Committee adopted a "Resolution on Several Historic Issues of the Party Since the Founding of New China." The "Resolution" summarizes and highlights 10 aspects of our country's socialist modernization drive. The first highlight states: "The principal contradiction that we need to solve—after basically completing socialist transformation—is the contradiction between the people's growing material and cultural needs and the lagging social production. The party and state must shift the focus of their work to socialist modernization based on the central task of economic construction in order to greatly develop social productive forces and gradually improve the people's material and cultural levels on this basis." Using standard terms, the "Resolution" discusses our country's principal contradiction during the current period, explaining specifically how the contradiction led to classification of economic construction as the central task in our country's socialist modernization drive. The 13th National Party Congress reached the scientific conclusion that our country is in a primary stage of socialism and formulated the party's basic line in this stage. The basic line defines "economic construction as the central task" in light of the principal contradiction.

The contradiction between the people's growing material and cultural needs and the lagging social production is the principal contradiction in our society at this stage. In his "1 July" speech, Comrade Jiang Zemin described this contradiction as the first basic condition in our country, further providing an objective basis for making economic construction the central task.

#### II

We should proceed from the basic conditions of our country and from the principal contradictions of society



during our country's present stage, deepen our understanding of the central task of economic construction, and firmly grasp this central task. We have learned a profound historical lesson in terms of this question.

In September 1956, the Decision on Political Reports of the Eighth Congress of our party pointed out that the contradiction between the proletariat and the bourgeoisie in our country had been basically solved, that the socialist social system had been basically established in our country, and that "the principal contradiction in our country is already that between the people's demand for establishing an advanced industrialized country and the reality of a backward agricultural country, as well as that between the people's need for rapid economic and cultural development and the inability to meet the people's economic and cultural needs." The party's Eighth Congress pointed out that the principal tasks of the whole party and the people of the whole country were to concentrate on the solution of these contradictions in order to change China from a backward agricultural country into an advanced industrialized country as soon as possible. Although the Eighth Congress' generalization of the principal contradiction in China was not entirely correct theoretically, it clearly revealed China's basic condition that China's productive forces were still very backward. The party's Eighth Congress stressed that in accordance with this principal contradiction, the principal task of the whole party and the people of the whole country was concentrating on developing productive forces. Basically, the generalization was correct.

However, after the Eighth Congress, our party's understanding of the principal contradiction in our country changed because of the development and change of the domestic and international situation, mainly because of the anti-rightist struggle in the country. At the Third Plenary Session of the Eighth CPC Central Committee held between September and October 1957, Comrade Mao Zedong submitted his proposal for changing the view on the principal contradiction in the country. He also stated his view on this major question, which was discussed at the plenary session. Many comrades doubted Comrade Mao Zedong's viewpoint. They held that the conclusion of the Eighth Congress regarding the principle contradiction was still correct, that the conclusion should not be changed because of the anti-rightist struggle, and that a short-term class struggle that had been aggravated should not be regarded as a long-term principal contradiction. Still other comrades expressed other views on the country's principal contradiction, but some comrades supported Comrade Mao Zedong's view. Delivering a summing-up speech at the plenary session, Comrade Mao Zedong declared in explicit terms: "The contradiction between the proletariat and the bourgeoisie and the contradiction between the socialist road and the capitalist road are, without doubt, the present principal social contradictions in our country." (see pages 347-348 of *The 70 Years of the Communist Party of China*, compiled by Hu Sheng; pages 14-15 of the 10th issue of the 1989 "Dangxiao Luntan" [Party School

Forum] of the Central Party School) The Second Session of the Eighth Congress, held in May 1958, pointed out categorically in accordance with Comrade Mao Zedong's view: "The rectification campaign and our experience in the anti-rightist struggle have once again demonstrated that in the entire transitional period—that is, before the establishment of a socialist society—the struggle between the proletariat and the bourgeoisie and the struggle between the socialist road and the capitalist road are, from beginning to end, the principal contradictions within our country." The generalization of the principal contradiction in China made by the Second Session of the Eighth Congress was more explicit and more progressive than that made by the Third Plenary Session of the Eighth CPC Central Committee.

Owing to the change in its view toward the principal contradiction, the party devoted the greater part of its energy to class struggle. As a result, one political movement followed another. Until the launching of the "Great Cultural Revolution," each time a political movement was launched, its momentum was greater than the previous one. In the long period of more than 20 years the party could not shift the focus of its work on socialist construction.

Why did we fail to unrelentingly tackle the central task of economic construction after the party's Eighth Congress? This question is still worth pondering today.

Generally speaking, it was because our party was then not mentally prepared for all-round socialist construction. This lack of mental preparation was reflected in the understanding of socialism and the basic condition of China, but more in the understanding and assessment of class struggle under the condition of socialism. This problem directly concerned the judgment on the principal contradiction in the country.

Recalling the past, we can see that after its Eighth National Congress, the party did not shift the stress of work to socialist construction and to the development of the productive forces because it made a wrong appraisal of the principal contradictions at home. In other words, its appraisal of the basic national conditions was not based on reality. It assumed such a view on the principal contradictions because it had overestimated the magnitude of the class struggle then. Just as what is said in the book *Seventy Years of the Communist Party of China*: "The serious magnification of the anti-rightist struggle was reflected in theories, and thus changed the scientific thesis on the principal contradictions in the Chinese society made by the first session of the Eighth CPC Central Committee. This was the theoretical root cause for the party to repeatedly make the mistakes of magnifying the class struggle or even starting unnecessary class struggles later." (p348)

Comrade Mao Zedong pointed out in "On Contradiction": There are many contradictions in the process of development of a complex thing, and one of them is necessarily the principal contradiction whose existence

and development determine or influence the existence and development of the other contradictions. Therefore, in studying any complex process in which there are two or more contradictions, we must devote every effort to finding its principal contradiction. Facts have proven over and over that it is no easy matter to accurately find the principal contradiction of a complex thing in the process of its development.

There are complex contradictions in the socialist society. However, we still lacked practical experience in the 1950's, and it was inevitably very difficult to explore a way for building socialism in China under that situation. It involved two important questions—the question concerning class struggle and the question of scale and speed of construction. Since there were no ready formula nor ready answers to the two questions, we had to rely on ourselves to explore under our particular national conditions. That was especially true with the class struggle question. On the one hand, since we waged intense and complex class struggle for a long time, we had developed a very keen sense of class struggle and were accustomed to solving problems with the class struggle approach. On the other hand, both the international situation and the domestic situation at that time were unprecedentedly complex. So, it is not surprising that the appraisal of the principal contradiction at home then was wrong. However, that was a very profound lesson to us.

### III

Our party is good at summing up experience and good at learning from both positive and negative experiences of the past. Since the party shifted the stress of its work to socialist modernization, Comrade Deng Xiaoping has repeatedly and unequivocally pointed out that modernization involves many tasks, with economic construction as the central task. He has earnestly pointed out: "Except in the event of a massive war, we must steel ourselves to carry out this task with constancy and devotion; we must make it our central task and allow nothing to interfere with its fulfillment. Even if there is a large-scale war, afterwards we will either pick up where we left off or start over. The whole party and people should form this high resolve and keep to it without faltering." (*Selected Works of Deng Xiaoping* (1975-1982) p 213) [English version, p 234] This was an exhortation given by him after summing up experience.

After summing up experience since the Third Plenary Session of the 11th CPC Central Committee, our party has accurately determined the principal contradiction at home, laid down the basic line of "one central task and two basic points," and been firmly implementing it. Since 1989, the Party Central Committee with Comrade Jiang Zemin at its core has adhered to the basic principle for our internal work, firmly kept performing the central task, economic construction, and implemented the

party's basic line in an all-around way, despite the political storm at home, successive drastic changes in Eastern Europe and the Soviet Union, the intensified efforts of Western nations to pursue the peaceful evolution strategy against China, and the changeable international situation. Comrade Jiang Zemin again pointed out clearly and definitely in his "1 July" speech: "Throughout our socialist modernization drive, we must always keep economic development as the central task. All other work of the party and state must be subject to and serve this central task, never deviating from it nor obstructing it. As comrade Deng Xiaoping has repeatedly exhorted us, unless a large-scale war breaks out, all comrades in the party should at all times concentrate on economic development in order to attain our strategic objectives step by step. We must urge the entire party membership and all the people to firmly foster this lofty ideal, always pursuing it without wavering." These words are sincere and earnest, precisely meeting our present needs.

In the new historical period, particularly under the present complex situation, how can we always keep economic construction as the central task?

It is crucial for us to have a profound understanding of the principal contradiction in the present stage of our society. It is the principal contradiction which decides that we must keep economic construction as the central task in our socialist modernization drive. We must not have any doubt or hesitation over this fact. There are many social contradictions in our real life, and we must deal with them properly and timely. Some contradictions are not the principal contradictions, but they can also affect the overall situation if they are not dealt with properly and timely. However, it is still necessary for us to distinguish clearly between the principal contradiction and non-principal contradictions, and we must not confuse the two. At present, it is particularly necessary for us to understand the relationship between the principal contradiction and class struggle. Comrade Jiang Zemin has pointed out: "Class struggle is no longer the principal contradiction in Chinese society, but it will continue to exist in certain areas for a long time to come and may intensify under certain conditions. This struggle is manifested mainly in the conflicts between bourgeois liberalization and the four cardinal principles, with the question of political power still being the central issue." In our society at present, bourgeois liberalization is closely interrelated and interwoven with the peaceful evolution scheme of foreign hostile forces. An important feature of this class struggle is that the struggle is very intense, but it is not the principal contradiction. For this reason, people are prone to confuse it with the principal contradiction. In order to keep economic construction as the central task more conscientiously and firmly and to implement the party's basic line in an all-around way under the present situation, it is very necessary for us to pay more attention to research and exposition of the principal contradiction in the present stage of Chinese society.

### East Region

#### Shandong Fulfills Agricultural Development Tasks

SK0602042192 Jinan DAZHONG RIBAO in Chinese  
2 Jan 92 p 1

[Text] At a news briefing held by the provincial government on 31 December 1991 on the first-phase agricultural development of the Huang He, Huai He, and Hai He plains, Provincial Vice Governor Wang Jiangong announced happily: Focusing on the central task of transforming low and medium-yielding farmland and increasing grain, cotton, edible oil, and meat production and following the principle of selecting the best projects, suiting measures to local conditions, developing projects by the people with state subsidies, and putting efficiency in the first place, all localities throughout the province adopted measures for eight aspects of work, such as farmland water conservancy, soil preparation and improvement, application of agricultural scientific and technological achievements, construction of farmland shelterbelts, development of animal husbandry, and farm mechanization, and successfully fulfilled the first-phase development tasks. By the end of June 1991, a total of 1.178 billion yuan had been invested, equivalent to 140.9 percent of the plan, to initially transform and improve 7.77 million mu of low- and medium-yielding farmland, reclaim 648,000 mu of wasteland suitable for farming, afforest 710,000 mu of land (including shelterbelts), and improve 360,000 mu of grassland. Thanks to three years of development, grain production increased by nearly 3 billion kg, cotton 145 million tons, oil-bearing crops 4,950 tons, meat 53,000 tons, fresh-water fish 10,800 tons, and eggs 28,500 tons. Calculated according to current prices, this helped increase the income by 3.877 billion yuan. This plus the income from farming, animal husbandry, fisheries, and the processing of farm products created 4.543 billion yuan in direct economic profits. The ratio of investment to output is 1 to 3.86.

As was learned, after conscientious inspection, the state leading group for comprehensive agricultural development officially issued a "certificate of inspection" to pertinent departments of the province recently to affirm that the project was up to the good quality standard. The province was also listed among the best in the first group of provinces to start the project in 1988.

#### Wharf for Liquefied Chemicals Built in Shandong

SK0602042392 Jinan DAZHONG RIBAO in Chinese  
2 Jan 92 p 1

[Text] The first-phase project in the construction of a wharf in Lanshan Port for liquefied chemicals capable of handling 50,000 dead-weight-ton ships, China's largest liquefied chemicals import and export base, was completed and commissioned on 24 December 1991. This project was jointly invested by the Shandong branch of the China Chemicals Import and Export Corporation, the Hong Kong Hualu Limited Corporation, and the

Lanshan Port Office. Investment totaled \$1.7 million and 163,000 square meters of land were created by filling up the sea. The capacity of storage tanks is 178,000 cubic meters and the annual handling capacity of the wharf is 2.29 million tons.

#### Wu Bangguo, Others Visit Workers on New Year

OW0502214192 Shanghai People's Radio Network  
in Mandarin 2300 GMT 4 Feb 92

[By reporters Liu Fuquan and Ma Chonghui; from the "Morning News" program]

[Text] Yesterday was New Year's Day. Braving the bitter cold in the early morning, eight groups of party, government, and Army leaders of Shanghai visited construction sites and grassroots units to pay New Year's calls on staff and workers of all trades and lines of work who spent the festival at their posts.

Early in the morning, Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, and Xu Wenyi, commander of the Shanghai Garrison, arrived at the construction site of the Yanggao Road extension project, Shanghai's top-priority project of the year. On behalf of the municipal party committee and government, Wu Bangguo wished builders at the construction site a happy new year and expressed his sincere appreciation for the comrades' insistence on continuing the work on New Year's Day. He praised them for the rapid progress of the project since its commencement and called on all trades and lines of work in the city to enthusiastically support and participate in the top-priority project.

At 0815, Mayor Huang Ju and Zhang Dinghong, Standing Committee member of the municipal party committee, arrived at the Yangshupu coal gas plant to visit staff and workers who kept production going during the festival. Huang Ju told the staff and workers: Public projects achieved great strides last year. You have been working hard, comrades. On behalf of the municipal party committee and government, I have come to salute you all and express our heartfelt gratitude. He said: This year, your further contributions are needed to promote the use of coal gas in Shanghai and continue last year's good progress.

Mayor Huang Ju also went to the Yangshupu waterworks. He told the workers and staff members there: Your work is closely related to the people's life. You must ensure the good quality of water supplied to them. Speaking of this year's work, Huang Ju pointed out that we need to invigorate Shanghai through reforms and opening to the outside world. He encouraged all of them to do a even better job this year.

Early in the morning, Chen Zhili, deputy secretary of the municipal party committee, Vice Mayor Liu Zhenyuan, and their party visited the homes of some people of educational, literary, art, and medical circles to extend their New Year's greetings.



Ni Hongfu, deputy secretary of the municipal party committee, Vice Mayor Zhuang Xiaotian, and their party visited Baoshan District, Dachang Town, and Changnan Village to extend their cordial regards to the peasants. They also extended festival greetings to industrial and commercial law enforcers at Shanghai's railway stations and staff and workers at the Huanlong bazaar.

Chen Tiedi, deputy secretary of the municipal party committee, Vice Mayor Gu Chuanxun, and their party yesterday paid New Year's calls on Du Chunfa, a national model worker and director of Shanghai's Yixing sweater factory, and Liu Haishan, a national model worker who won the national "1 May" Labor Medal and a senior technician of the Shanghai Road and Bridge Construction Machinery Corporation.

Vice Mayors Ni Tianzeng, Xie Lijuan, Zhao Qizheng, and other officials paid separate visits to the management office of the Shanghai Railway Bureau, the Shanghai No. 1 Social Welfare Institution, and the Shanghai Cultural and Sports Equipment Import and Export Corporation, which moved into a new office on the festival, to extend their warm regards to the staff and workers of the companies and the senior citizens at the welfare institution.

According to another report, Chen Tiedi, deputy secretary of the municipal party committee, yesterday paid a New Year's call on Meng Lizhao, who was recently admitted to the party. Also present was Luo Shiqian, director of the organization department of the municipal party committee. Accompanied by Major General Gu Naihe, president of the [words indistinct] University, Chen Tiedi went to Meng Lizhao's ward. After presenting Meng Lizhao with a bouquet, she said: On behalf of the municipal party committee, I wish you a happy new year and a speedy recovery.

#### Huang Ju Speech on Housing Construction Goals

OW0402142092 Shanghai WEN HUI BAO in Chinese  
30 Jan 92 pp 1, 3

["Hopes for Accelerating Housing Projects Lie in Reform—A Speech Delivered on television by Mayor Huang Ju on 29 January"]

[Text] Citizens and comrades, the housing problem is a matter of great concern to all of us. It is one of three major practical services the municipal government will perform for the people of the city. It is also a matter of great difficulty. I would now like to talk about the housing construction in Shanghai and about this year's goals and plans for the future.

Housing construction in Shanghai can be summarized in the following words: it has made some achievements, met with difficulties, and inspired hope. The hope lies in deepening reform and opening up wider to the outside world.

First of all, we have achieved great results in housing construction. The decade of reform and opening up to

the outside world is a period in which Shanghai experienced the fastest pace of housing construction. From 1981 to 1990, the city invested in housing projects a total of 13.163 billion yuan, or 7.6 times the total investment made in the 31 years before 1980. It built apartments with a floor space of more than 40 million square meters, or 1.8 times the floor space built in the 31 years before 1980. During this 10 year timespan, more than 2.8 million people comprising 850,000 households moved into new residences. In other words, about one third of residents in Shanghai enjoyed improved housing conditions. The housing shortage problem has to some extent been alleviated, with per capita living space increasing to 6.6 square meters from 4.4 square meters.

The year 1991 witnessed a breakthrough in housing construction. During the 1987-1990 period Shanghai had an annual increase in apartments with a total floor space of about 4 million square meters. In 1991, the city invested 3.2 billion yuan in housing projects, an increase of 22 percent over past years. As a result, it built apartments with a total floor space of 4.68 million square meters, an increase of 11 percent over past years, thus overfulfilling the quota of 4.5 million square meters of floor space planned at the beginning of 1991. Meanwhile, the city has accomplished the tasks of planned requisition of land and resettling people, laying a good foundation for this year's housing projects. Generally speaking, the situation for housing construction in the first year of 1990's is good.

Three major reasons account for good results of Shanghai's housing construction in 1991.

First, we have followed the tradition of the municipal party committee and government by placing high on the agenda the resolving of the housing problem for citizens and by taking vigorous measures and mobilizing the people of the whole city to resolve this problem. The 10-year program of economic and social development in Shanghai and the Eighth Five-Year Plan for Shanghai adopted after deliberations by the Shanghai People's Congress last year have clarified Shanghai's tasks of housing construction in the 1990's. The planned goal has been realized because the municipal government has taken housing construction as an important task. In addition, it has been given active support by all, including the construction and engineering departments.

Second, the reform of the housing program brings about new life to housing construction, thus speeding up the funding for housing projects. As of the end of last year, the funds for housing projects amount to 420 million yuan, paving a smooth path for increasing funds.

Third, the launch in great scale of urban capital construction facilities has given impetus to the housing construction in Shanghai. About 49 percent of the total investment of the Nanpu Bridge and 80 percent of the first phase of the project of expanding Wusong Road and the Jiaqiao project have been used in resettling residents and in supplementary projects of public construction. Last

year, old apartments with a total floor space of 860,000 square meters were demolished, accelerating the pace of housing projects.

In reviewing the achievements of housing projects made in Shanghai last year, our thanks go to the construction workers of housing projects for their hard work; to planning, research, and engineering departments for their contributions; and to all the citizens of the city for their close coordination and great support in the reform of the housing program.

Although we have achieved great results in housing construction, there are still great difficulties in solving the contradiction of inadequate housing in Shanghai. This is mainly because of the city's poor infrastructure. Therefore, we must shoulder a heavy responsibility in improving the living condition of residents in Shanghai. According to statistics gathered at the end of 1990, there were 32,228 households in Shanghai whose living conditions were extremely bad; the average housing space per person was less than 2.5 square meters. Through one year's efforts, the number of those households was reduced to a little over 20,000. If we use less than 4 square meters per person as a yardstick in defining families with difficult housing situations, the number will be about 300,000. Some people are living in shacks, dangerous houses, makeshift houses, and second class old alleys with a total area of 15 million square meters. If we adhere to the present rate and method, it will be very difficult to solve these problems. Therefore, I have to clearly explain the matter to all of you. We must find ways and means to overcome difficulties and further speed up the pace of housing construction in Shanghai.

Residents in Shanghai have made relatively big improvements in their consumption of food and in their use of articles for daily living. Accordingly, they now have a higher demand for improving their poor living conditions. People who have difficulty in obtaining houses want to solve their problem as quickly as possible. People who live in shacks and makeshift homes want to improve their living conditions as quickly as possible. People who live relatively well also hope to further improve their living conditions. Their demands are understandable. The municipal government is confident and determined to construct houses for residents in a better, faster, and more solid manner year after year under the leadership of the municipal party committee and with the support and coordination of the municipal people's congress, the municipal committee of the Chinese People's Political Consultative Conference, various mass organizations, and the broad masses of people. This is our determination and attitude.

The municipal government has studied this year's housing construction plan. Today I am going to explain it to all the people of the municipality.

The first goal this year is to complete housing construction with a total area of 5 million square meters or more,

including the completion of a relatively sound residential area, 15 neighborhoods, 300,000 square meters of auxiliary facilities, and a number of auxiliary facilities for new residential areas.

The second goal is to step up our efforts to solve the problem by the end of this year of families whose living conditions are extremely bad with an average space of less than 2.5 square meters per person. We hope all departments, districts, and units will cooperate fully, make promises, and insure the completion of this task. Our target is to deliver housing distribution certificates into the hands of those households. At present, it seems there are a lot of problems and that the task is very difficult. We must carry forward the "Shanghai spirit" in building the Nanpu Bridge and the Taipu He engineering project. We should all work hard with concerted efforts and consider it a political task to accomplish the job of solving the difficulties of those households. We should accomplish the task through various means, including unified construction by the state, construction with funds gathered from various sides, and joint construction with public subsidies. There are so many residents in Shanghai who need to improve their living conditions. Governments at various levels have the responsibility to do their best to solve this problem.

The third goal is to speed up the transformation of shacks within the guidelines of reform. This is a most difficult problem and a great undertaking in Shanghai's housing construction and urban transformation. Based on the principle of "relative concentration and transformation in batches," from this year onward work should be started on the transformation of shacks and makeshift houses in several parts of each of the several selected districts. We must combine industrial restructuring, urban planning restructuring, optimization of land use, and planned improvement of city appearances so as to find a new avenue in the transformation of shacks and makeshift houses. We believe we may be able to totally achieve this year's three goals through the joint efforts of all.

What shall we do next? According to the goal already set, 5 million square meters [sq m] of housing will be completed annually in Shanghai in the 1990's—a total of 50 million sq m in 10 years requiring 50 billion yuan of funds. Although this goal is not low, it is still not sufficient. This is because the task of transforming 15 million sq m of shacks, makeshift houses, and second class old alleys has not been included in this goal. To complete the transformation of shacks and old houses, we must build 6 million sq m of houses in a year—a total of 60 million sq m in 10 years requiring 60 to 70 billion yuan of funds. The way of reaching this goal depends on deepening reform. Therefore we must expand our thoughts to actively explore and deepen the reform of real estate development and housing programs so as to gradually establish and develop Shanghai's real estate market. The reform in housing programs launched last year focussed on solving the problem of procuring sufficient funds for housing construction. This year it is to actively deepen the reform of the real estate industry by

bringing into play the advantages of Shanghai's urban and land resources so as to promote the deepening of housing program reform and to accelerate the speed of housing construction, particularly in the transformation of makeshift houses.

From this year onward, we must achieve in housing construction the goal of "three differentiations and three combinations" through exploration.

The three differentiations are:

First, there should be differentiation in the duties of municipality and districts. The municipal government is mainly responsible for overall regulation and control, overall planning, major governmental policies, major municipal supplementary measures, and corresponding decisions for removal or requisition of houses. District governments are responsible for planning and implementing the details of the transformation of old areas. From this year onward, the power and duties of district governments will be gradually increased in the transformation of old areas and housing construction. The municipality will draw up policies and basics, while districts will effectively implement the tasks of housing construction.

Second, in improving residents' living conditions, it is necessary to classify different requirements in our work. In dealing with the three different requirements—namely, solving problems, making improvements, and raising quality—we should adopt appropriate policies and measures. The first requirement is to solve the problems of those residents whose housing conditions are extremely bad. We should pay special attention to solving their actual problems and "send coal in snowy weather." We should consider it a political task and solve the problem by the end of this year with support from various sectors. The second requirement is to renovate or rebuild shacks, makeshift houses, and old buildings. While developing the economy during the course of reform and opening up to the outside world, we should find ways to gather funds to speed up the renovation of those shacks, makeshift houses, and old buildings. We should enlist the help of various districts and departments, local residents, real estate companies, fraternal provinces and municipalities, and foreign firms in renovating Shanghai's old residential areas. The third requirement is to further raise the quality of housing for residents. This work should be integrated with efforts to promote the commercialization of houses and a sound cycle of rebuilding houses. The proportions of funds to be provided by the state, collectives, and individuals will be different in line with the requirement. The government should mainly provide funds to help families with serious economic difficulties because this is a matter of policy. Regarding people living in shacks and makeshift houses, the government should also adopt a policy of helping them renovate or rebuild their houses and should not make money in the process. The government should also ask various sectors of the society to provide assistance to expedite the work. As for individual residents

who want to improve the quality of their houses, they should pay a larger portion of the cost. The selling of marketable houses can earn profits, but the profits will mainly be used for subsidizing those residents with serious economic difficulties and helping residents renovate or rebuild their shacks or makeshift houses. I am convinced that people can understand and will support those policies.

Third, during the course of solving various problems, it is necessary to proceed with various jobs in their proper order in accordance with their seriousness and urgency. First of all, the problems of residents with special difficulties who live in houses with an average space of less than 2.5 square meters per person should all be solved by the end of this year. The renovation or rebuilding of shacks should start this year. We should sum up experiences and gradually speed up the pace of renovation. Various districts should strive to complete renovation before the end of the 1990's. This year we should further deepen reform and explore new ways in the commercialization of houses.

The three ways of doing this are:

First, various departments and localities should cooperate in their work. We should whip up the enthusiasm of various commissions, offices, bureaus, districts, and counties and concentrate their strength. The direction of reform in housing construction and the distribution of houses is to gradually promote socialization [she hui hua 4357 2585 0553] and commercialization of houses. Various districts should gradually take up the responsibility of building houses. However, under current conditions, all departments and localities must join efforts in housing construction. In particular, various departments and units must shoulder the responsibility of building houses for their own staff members and workers. Various districts should pay attention to whipping up the enthusiasm of all sectors in renovating old residential areas and building new houses. All departments and localities should cooperate and properly coordinate their work, make concerted efforts, and give full play to their advantageous position in housing construction.

Second, we should combine housing construction with economic development. We should integrate the reconstruction of old areas with industrial restructuring and the development of service, especially commercial, business. We should make full use of Shanghai's precious land resources, increase imports, and foster internal economic ties. We should combine the reconstruction of old areas with the construction of commercial and office buildings and the development of a foreign-oriented real estate industry. We should launch supplementary projects to promote overall development, and tap new vast sources of housing construction funds.

Third, we should combine housing construction with our reform and open policies. We should deepen housing reform and work constantly to expedite the process of housing commercialization. Additionally, we should link



reform of the housing system with that of the wage structure and the social security system. We should also work gradually to facilitate the commercialization of housing and the maintenance of a proper input-output ratio in connection with housing funds. This is a fundamental way to solve Shanghai's housing problems.

Funds obtained from sources within Shanghai alone cannot satisfy our need for accelerating housing construction. Hence, we should open up to the outside world, bring in foreign capital, and encourage foreign businessmen to help Shanghai rebuild its old areas. Moreover, we should open up to other provinces and municipalities, approach various central departments, and encourage them to come to Shanghai to set up ventures, to do business, and to develop real estate. We may conduct overall reconstruction projects under unified plans, employing such means as leasing of land-use rights, construction of commercial facilities, and general leasing. Furthermore, we should encourage and rally various real estate enterprises in the municipality to play an active role in rebuilding old areas, to make contributions toward settling families with serious housing problems and toward expediting the renovation of shanties, and to gradually develop the real estate industry into an important sector of the commodity-based economy under socialist planning as well as a new industry in Shanghai.

In short, our drive to accelerate Shanghai's housing construction is full of promise. Reform gives us hope and provides us with solutions to our problems. Hence, we should deepen reform and open wider to the outside world so as to quicken the current pace of rebuilding old areas and to improve housing conditions. The municipal government must inherit its predecessors' tradition of showing concern for the people's living conditions and of expediting housing construction. In trying to implement prescribed goals and principles, we must constantly blaze new trails while performing practical tasks under the new circumstances, seek new ways of speeding up housing reform and construction, and improve the people's living conditions.

Now the goal has been determined and the direction has been identified. Thus, we must first develop Shanghai's economy. Only when we have developed the economy and enhanced our economic strength, can we then have more funds to invest in housing construction. We hope the broad masses will understand, support, and actively participate in the housing reform, as well as support measures adopted by the municipal and district governments for speeding up housing construction. Planning, design, and land departments and various construction units should treat the urgency and thoughts of the people as theirs. They should bear in mind Shanghai's housing construction, and analyze and implement the goal set by the municipal government for this year's housing construction. They should optimize the housing construction program, improve housing designs, effectively use land resources, speed up construction, ensure quality and quantity, and fulfill their tasks as scheduled. Villages

in the rural areas should contribute toward urban construction by actively supporting the requisition of land for housing construction. We must ensure that the task of developing 10,000 mu of new housing bases for this year is fulfilled. Without the support of various counties and farmers, it will be very difficult to complete the task. In urban housing construction and development work, we should continue to carry forward the spirit of combating floods and extending disaster relief as well as unity in harnessing flood waters. We should also draw on the good experiences of various localities across the country, and welcome the participation of construction and design departments from various localities in the designing and planning of Shanghai's housing. We hope that the People's Congress, the Chinese People's Political Consultative Conference, and people from all sectors further assist and support the government's work and put forward valuable opinions to ensure a smoother development of various work. Governments at all levels should earnestly accept the supervision of the vast number of people and welcome suggestions from everyone. Through the joint efforts of all in the entire municipality, we hope to make more new achievements in 1992 than that of 1991, to reach higher levels, to make more contributions, and to greatly accelerate the progress of housing construction.

#### Vocational Party Schools Set Up in Shanghai

OW0502134692 Beijing XINHUA in English  
1333 GMT 5 Feb 92

[Text] Shanghai, February 5 (XINHUA)—There has been an urge to learn about communism in universities and colleges in the largest city of Shanghai.

According to the school board of the municipality, 51 universities and colleges in the municipality now have set up vocational party [as received] and the enrollment keeps increasing.

An official of the Shanghai municipal party committee said that in the 51 universities, there are 1,684 various kinds of studying groups with 17,900 students.

The studying groups mainly organize their members to study the works of Marx and Lenin and Mao Zedong as well as the Constitution of the Communist Party of China (CPC).

In the political education department of the East China Teachers University, 135 undergraduates have handed in their applications for membership of the party.

In the Shanghai Jiaotong University, more than 2,500 students participated in the study of the CPC Constitution and 1,296 students have written applications for joining the party.

According to statistics, in 1991, 1,221 students of Shanghai universities were admitted into the party, increasing by 150 percent over the previous year.

The percentage of the number of student party members to the number of the total students in 32 universities including the most renowned Fudan University and Shanghai Foreign Language Institute is 1.6 percent.

### Shanghai's 'Cane Project' Serves Needs of Aged

OW0502044492 Beijing XINHUA in English  
0341 GMT 5 Feb 92

[Text] Shanghai, February 5 (XINHUA)—For aged people who feel it is becoming more and more difficult to take care of themselves, apartments at the 23 centers for the aged throughout Shanghai city, China's leading metropolis, provide ideal residences for them.

The 23 centers now have 1,200 beds and provide all assistance the aged need, and it is good place for the aged to spend the remaining years of their life in comfort.

Wu Jinhua, an 81-year-old widow whose only son now lives in Taiwan, is now leading a happy and peaceful life with her younger sister in one of these centers, in Jiading county on the outskirts of the city. The fresh air and quiet surroundings give them much pleasure, and they are really enjoying their life, wishing to live longer.

Like the sisters, over 260 aged people have come to live in this center, which have [as received] 19 apartment buildings in totally different styles as well as many nurses. But each is designed to meet the needs of daily life. Two or three persons may share an apartment in which a kitchen and sanitary facilities are available. There are also clubs for entertainment. There, the inmates may choose to play chess or cards and do exercises, or anything else.

The management cost per person is 40 yuan a month, about six U.S. dollars, only a small part of one person's monthly retirement pension.

The construction of the apartments for the aged is only a part of the "cane project" started in the city, which aims to serve those aged people who need help in their daily life. The "Cane Project", literally taken from the image of an old man or woman walking with a cane, is truly serving the aged in various ways.

With an increasing number of senior citizens, the population of the aged (people at and above 60) in Shanghai amounted to two million last year—four times the increase rate of the whole population of the city. There is one aged person in every six people in Shanghai.

Experts note that aging population indicates an advanced level of economic growth, but the aged also create problems for the society.

There are 170,000 people over 80 in Shanghai, among whom 70 percent suffer from various chronic diseases, and 30 percent suffer from acute diseases and are not able to take care of themselves.

To help these people, "the Cane Project", supported by relevant social departments, was started, to take practical measures to serve the aged.

For those old people who are still able to move about and do something for society, various activities are organized. "Dingxiang garden", a beautiful park formerly belonging to an aristocrat, has been specially reserved for the aged people. A retired professor got on a project to record all the trees in the garden and was happy to find that the garden has a tree which may be regarded as the second oldest in Shanghai.

In every district and neighborhood communities, there are centers for the aged to conduct various activities they like. An old lady is happy to find herself quite busy.

Now senior citizens in the city enjoy priority in transportation and other services. Special hospitals for the aged have also been set up.

Besides these, electric bells are installed for aged people living alone in case they should ask for help in an emergency, and a special institution will be built for those above 100 years old. As part of the "Cane Project", more service centers for the aged will be set up in each district of Shanghai.

### Li Zemin Visits Wenzhou, Speaks on Economy

OW0502125392 Hangzhou ZHEJIANG RIBAO  
in Chinese 26 Jan 92 pp 1,4

[Report by staff reporters Zhang Heping (1728 0735 1627) and Qian Jishou (6929 0679 1108): "Li Zemin, Xu Xing-guan in Wenzhou Stress the Need to Further Unify and Clear up Thinking, Be Resolute in Action, Adhere to Basic Line, and Concentrate on Economic Construction"]

[Text] Li Zemin, secretary of the provincial party committee, and Xu Xinguan, executive vice governor of Zhejiang, led a delegation of responsible individuals from 13 departments directly under the provincial authorities to Wenzhou from 20-24 January. There they conducted investigations and research with responsible comrades from the city party committee and the city government; contacted cadres and the public on a broad basis; and listened to opinions from all quarters. They helped clear up the thinking about Wenzhou's work, and to bring cadres and the public into accord with the party's basic line.

While in Wenzhou, Li Zemin and Xu Xinguan toured some large and medium-sized state-run enterprises, including the Wenzhou Rubber (Group) Company, the Plastic Auxiliary (Group) Company, and the Electrochemical Plant. They also visited a neighborhood collective enterprise—the Wenzhou Electric Welding Equipment Plant; a rural enterprise—the Ouhai Tannery; two joint-stock cooperative enterprises—the Lucheng Lianyi Shoe Factory and the Lucheng Lighter Plant; and some

village-level economic cooperatives in Renqiao, Zhen-nan, and Chengbei Villages in Ou-hai County. In addition, they went to see the Liyuyang project in Ou-hai County—a huge farmland project covering 10,000 mu with annual yield targeted at one tonne of grain per mu—and beachy areas in Yongqiang- Dingshanpian and Lingkunnankou. They also called on teachers in kindergarten, primary schools, and middle schools in Quxi Town.

On the morning of 24 January, Li Zemin and Xu Xingguan spoke at a meeting attended by responsible individuals from Wenzhou City, as well as those from counties (cities, or districts) within the jurisdiction of Wenzhou City.

Li Zemin fully affirmed the achievements of Wenzhou, and the tremendous changes made in the course of reform and opening to the outside world activated after the Third Plenary Session of the 11th Party Central Committee, while pointing to the need to realistically analyze and look squarely at Wenzhou's problems arising from the process. He said: The success of this year's work hinges on how well we manage to unify our thinking and how resolute we are in action. Therefore, we must further straighten out the thinking about our work and earnestly put the party's various policies and plans into practice, thereby placing Wenzhou in a better condition to advance soundly along the path of developing socialism with Chinese characteristics. In light of Wenzhou's actual conditions, Li Zemin addressed the following issues:

We must focus on the central task of economic construction and vigorously develop social productive forces. Advancing the national economy is the party's key mission and is a major issue that occupies the central stage of today's politics. To persist in the central task of economic construction we must maintain various effective policies. Any policy that facilitates economic development, that helps the people shed poverty and achieve common prosperity, and that invigorates the economy in urban and rural areas under the state's macroregulation, should remain and be improved continuously through practice. To persist in the central task of economic construction we must protect the people's socialist enthusiasm and creativity, and respect their pioneering spirit. People in Wenzhou are known for their diligence, hard work, wisdom, competence, and business acumen. Wenzhou must make good use of these strong points in its effort to develop the socialist economy and further invigorate its economy.

It is necessary to further deepen the reform, open wider to the outside world, and foster an image of reform and opening to the outside world. Wenzhou is one of China's coastal cities opening to the outside world and is also the well known native land of many Overseas Chinese. Wenzhou's leaders at all levels should take advantage of the policy on open cities, take advantage of Wenzhou as the homeland of many Overseas Chinese, speed up the construction of the Longwan development zone, and

usher in a new situation of opening to the outside world in Wenzhou. They should adhere to the ideological line of seeking truth from facts, do away with ideological taboos, emancipate their minds, be bold in making reform, enhance their awareness of reform, and be good at using the viewpoint of reform to ponder and solve problems. They should judge the hour and size up the situation, improve their way of thinking, dare to make explorations, and boldly participate in practice so as to make contributions. The cadres and people of Wenzhou are good at using their head to think of methods of deepening the reform. Under the precondition of adhering to the socialist orientation, Wenzhou should advance with bigger strides and score greater achievements in reform in all fields. In the course of reform, it is unavoidable to meet with setbacks and make mistakes. With respect to mistakes made in the course of explorations and work, we should not blame any individuals or hold them responsible for the mistakes. Instead, we should understand them, protect their reform initiative, and help them sum up experiences, draw lessons, correct mistakes, and improve work so as to carry out the cause of reform and opening to the outside world steadily and soundly. It is necessary to correctly and comprehensively understand the importance of deepening the reform and opening to the outside world. Microflexibility is reform; macroeconomic control is also reform—it is reform at a higher level. Strengthening macroeconomic control is not a negation of microflexibility. On the contrary, it is intended to promote it. It is necessary to correctly distinguish between the two types of views on reform and opening to the outside world, and adhere to the socialist orientation for reform and opening to the outside world. Wenzhou is faced with the heavy tasks of reform and many problems. Therefore, it should study them carefully, make active explorations, and draw up well thought out plans. For example, on the basis of its existing economic structure, Wenzhou should study how to invigorate its state-run enterprises, actively support and develop urban and rural collective enterprises, and expand the public ownership economy; how to strengthen management of, and provide better guidance to, the individual and private economy; how to improve the cooperative and shareholding economy; how to take advantage of its superiority in being "a big market with numerous small products;" how to push forward the supplementary reforms in the banking, wage, taxation, and social insurance systems; how to speed up city construction and transformation of old city districts and improve the infrastructure; and how to promote regional economic cooperation in order to achieve common prosperity.

It is necessary to strengthen management to provide better guidance to the individual and private economy while upholding public ownership as the main form of ownership. Upholding socialist public ownership as the main form of ownership constitutes the basic requirement for developing a socialist economy with Chinese Characteristics. This is not only a major economic



question but also a solemn political question, for it is the fundamental principle for adhering to the socialist orientation. Faced with the situation in which the ratio of the individual and private economy in Wenzhou is relatively high and the public ownership economy is confronted with fairly serious trouble, this question merits greater attention. First of all, we must understand that developing the individual and private economy and other sectors of the economy while upholding the public ownership as the main form of ownership, constitutes a basic policy the party and the state must adhere to during the primary stage of socialism. We cannot return to the former unitary ownership structure. At the same time, leaders at all levels should be soberly aware of the dual nature of the non-public ownership economy: On the one hand, the existence and proper development of the non-public ownership economy actually plays a beneficial supplementary role in developing the productive forces of society, making the socialist commodity economy flourish, creating job opportunities, facilitating people's lives, and increasing state taxes; on the other hand, with respect to the existence and development of the non-public ownership economy, if control, education, and guidance are relaxed, not only can its inherent negative effects not be controlled, but it will also give rise to other negative influences. With respect to this question, leaders at all levels, especially leaders at and above the county level, must further raise their understanding and achieve unity in thinking.

When we talk about developing the public ownership economy and establishing its position as a main body, it does not mean giving support to and invigorating state-run enterprises only; it should also include the collective economy in urban and rural areas. How should we revitalize state-run backbone collective enterprises of large and medium scales? Wenzhou has already gained some practical methods and relatively successful experience. It encompasses mainly the following: First, we must strengthen leadership, select cadres to launch socialist education in enterprises, reinforce and reform leading groups, and pay attention to each and every enterprise, as well as trade and profession in a down-to-earth manner with priority given to a number of influential key backbone enterprises. Second, we must tilt our policy by giving priority and preferential treatment to such aspects as credit, taxation, supplies of electricity, raw, and processed materials. Third, we must grasp the important issue of making up for deficits and increasing surpluses and make breakthroughs in key sectors. Fourth, we must do a good job in adjusting our assets of stock and organizational structure of enterprises. We must establish enterprise groups outside the confines of public ownership, as well as those of particular trades and professions, with superior enterprises and products taking the leading position, and the focal point placed on economic efficiency. Fifth, we must deepen reform of enterprises, with a breakthrough in labor employment and distribution and readjust the operating and control mechanism. Sixth, we must rely on the advancement of science and technology to speed up

technical innovations in enterprises and build up reserve strength for developing enterprises. Seventh, we must heighten the service consciousness of various departments, and foster public opinion and social environment which are respected by the entire society and favorable to supporting the development of state-run enterprises and the public ownership economy.

In addition to upholding public ownership as the principal body and proceeding from the actual conditions in Wenzhou, we must also vigorously support, develop, and expand the collective economy in urban and rural areas. This is because it is also an important form of public ownership economy; and in the present as well as fairly long-term perspective, it still represents the largest proportion in the public ownership economy. Various localities must pay attention to strengthening the collective economy and a planned development of rural economic cooperatives. Ouhai County has clearly stipulated that rural economic cooperatives are vested with the rights to operate, collect fees, manage, and to first trials, as well as to establish a system of rural development fund and cooperative fund, and an accumulated work days system. Furthermore, it also prescribes the establishment of a development fund at the village level, and all individual traders and merchants, including those doing external businesses, must subscribe to the development fund. It is necessary to widely implement these systems whereby one can make collections and payment wherever due, and such funds should be properly utilized and controlled so that the masses have no worries. Proper running of village-level enterprises, developing agriculture, including exchange earning agriculture, and developing tertiary industry are the major approaches to expanding the collective economy. The potential in this respect is great and very promising.

In order to strengthen leadership and control over individual and private-run enterprises, we must firmly implement the guidelines of the relevant documents of the central and provincial party committees and provincial government. It is necessary to define, in accordance with the industrial policy, the scope of production and operation, collect taxes according to stipulations, operate according to law, and to not tolerate any attempts to undermine the public ownership economy. We must practically strengthen industrial and commercial management as well as tax administration. It is necessary to keep proper records and accounts, deal with tax evasions, and crack down on activities of producing fake and shoddy products. We must safeguard the legitimate interests of workers and employees, prohibit the employment of child labor according to law, improve working conditions, and implement labor protection and social insurance. It is necessary to shoulder essential social obligations and bear the cost of public amenities. We should set up associations for various trades and professions, lay down their rules and regulations in order to enhance administration of various trades and professions. It is also necessary to strengthen the unity, leadership, and education of the representatives of the non-public ownership economy.

Wenzhou's ideas and measures in standardizing urban and rural joint-stock cooperative enterprises are practical and feasible. It is necessary to popularize them in a down-to-earth manner, and constantly sum up experience during the course of practice in order to bring about further improvement. At present, we need to clear up enterprises run by individuals or partnerships of individuals under the name of joint-stock cooperative enterprises. In administering household and joint-household industries that are scattered all over urban and rural areas and which are characterized by the mono-production mode of their villages, we should introduce a household contract responsibility system with remuneration linked to output and a dual management system that combines household with collective operations, decentralizes operations, unifies administration, and promotes the establishment of an umbrella plant by each village or township in order to unify planning and adopt unified brands, quality, supply and marketing, pricing, and taxation. These measures are conducive to strengthening management, improving product quality, effecting economies of scale, promoting enterprise standards, and increasing economic efficiency. It is necessary to vigorously carry out this task in a down-to-earth and reliable manner and to strive for success.

It is necessary to attach importance to agricultural development and to strengthen work in helping poverty-stricken areas realize common prosperity. Agriculture is the foundation of the national economy as well as of Wenzhou's economic and social development. There is no prosperity without industry, no vigor without commerce, and no stability without agriculture; we cannot do without any of the three. Agriculture is Wenzhou's weak link. In Wenzhou there is a large population, scarce land, poor infrastructure, high incidence of natural calamities and typhoons, heavy loss of rural work force, and low agricultural efficiency. Seriously restricting and affecting Wenzhou's agricultural development, these problems call for greater attention. It is necessary to foster among the vast number of cadres and masses the awareness that agriculture is the foundation of the national economy. Under no circumstances should we neglect this task or slacken our efforts. We should strengthen the construction of farmland infrastructure, take proper charge of high-yield fields, and improve fields with low or moderate production. We should readjust the product mix of grains and farm produce as well as improve efficiency in grain plantation. It is necessary to take advantage of Wenzhou's favorable natural conditions to vigorously develop developmental and export-oriented agriculture. We should set up field protection zones and should properly carry out village and town development planning so as to protect farmlands. It is necessary to support and develop agriculture with industry; all trades and lines of work should support agriculture and improve their services.

Wenzhou is faced with an arduous and difficult task to help poverty-ridden areas. We must attentively and properly carry out this work with profound proletarian

feelings. It is necessary to earnestly and effectively implement the various measures determined by the provincial work conference on aiding poverty-stricken areas. To promote coordinated development of the regional economy, we should link different localities; carry out exchanges of their cadres; strengthen the infrastructure; improve production conditions; fully utilize and exploit local resources; pay due attention to developmental and export-oriented agriculture; speed up personnel training; and, in compliance with industrial policy, encourage moderate development of the individual and private economy to help the people of old revolutionary bases and impoverished mountainous areas shake off poverty and progress toward common prosperity.

It is necessary to strengthen ideological and political education, promote the building of spiritual civilization, and constantly eliminate negative and evil tendencies. We must pay attention to and adopt effective measures to correct negative and evil tendencies and conspicuous problems at present, such as feudal-minded superstition, gambling, smuggling, and illegal religious activities. We should resolutely crack down on those things and handle them in a strict manner. It is essential to unrelentingly grasp education on socialist ideology in urban and rural areas, and integrate concentrated education with regular education. We should strengthen the administration of religious affairs in accordance with the law, strengthen the comprehensive management of social security, and continue to grasp the struggle against smuggling and pornography. We should guide the people to change bad customs and strive to eliminate feudal-minded superstition, gambling, and other bad customs in the society.

The key to improving our work in Wenzhou lies in improving party organizations and leading groups at various levels. We should set strict demands on party organizations, improve the party's work style, and strive to build a clean and honest government. We should guard against the infiltration of the principle of equal exchange of commodity economy into political activities. Since the second half of last year, the Wenzhou City Party Committee and the Wenzhou City People's Government have launched a campaign to improve the party's work style and build a clean government, concentrating on the struggle against corruption. A number of cases of violating laws and discipline were handled in a strict manner and corrupt people were punished. This has educated the broad masses of cadres and people. We must continue to grasp this campaign in a solid manner in order to achieve good results. In the struggle against corruption we should be resolute, persistent, strict, and prudent. It is essential to strengthen the building of party organizations at the grass-roots level. In building up party branches in rural areas, we should pay particular attention to the work of improving backward party branches. We should actively and carefully recruit new party members from among the young people at the grass-roots level and front line of production in rural areas. We should establish party, Communist Youth League, and trade union organizations at joint-stock

cooperative enterprises and private enterprises with good conditions. We should effectively strengthen the ideological building of leading groups at various levels and raise their quality. We should adhere to democratic centralism and strengthen the unity of leading groups. Leading cadres at various levels should heighten their spirit, have the courage to take up responsibility, improve their work style, further liberate their thinking, creatively carry out their work with a pioneering spirit, and make due contributions to creating a new situation in Wenzhou.

Xu Xingguan spoke on changes brought to Wenzhou by carrying out reform, the importance of deepening reform to develop Wenzhou's economy, and ways to further improve the rural reform experimental zone in Wenzhou. He said: Wenzhou is one of the 21 rural reform experimental zones in the whole country. Now we must seriously sum up experiences, further understand the guiding ideology for and main tasks of the experimental zone, strengthen our consciousness of reform, and deepen the experimental work of rural reform in a solid manner. The guiding ideology for the rural reform experimental zone in Wenzhou from now on is to adhere to the "decision" of the Eighth Plenary Session of the 13th CPC Central Committee, wholly and correctly implement the party's basic line, stabilize the party's basic policies for rural areas, lay stress on helping the development of new collective and cooperative economies, assist poor villages and poor households to develop commodity production, strengthen the administration of joint enterprises and individually operated private enterprises, gradually guide those enterprises to develop joint stock partnership, and create a new road for economic development which guarantees the leading position of the collective economy and joint development of other economic sectors in Wenzhou and will help us reach the goal of common prosperity and build socialist new rural areas with Chinese characteristics.

Xu Xingguan said: Pilot zones for rural reforms in Wenzhou should persevere in the pilot project of constructing the system of village and town enterprises, which was determined by the State Council. They should combine their efforts with the actual situation in Wenzhou and focus on accomplishing tasks in three aspects: 1. They should continue their effective work to standardize joint-stock cooperative enterprises, run well a group of standardized joint-stock cooperative enterprises that serve as examples, and steadily advance standardization work to seek improvement. They should further define the nature and legal standings of joint-stock cooperative enterprises by combining theory with practice and continue to improve policies to complement such efforts. They should also gradually set up a mechanism that encourages healthy development in joint-stock cooperative enterprises, further consolidate the construction of systems inside such enterprises, and improve the management system suitable for the development of these enterprises. 2. They should carry out active and reliable efforts to introduce the dual management mechanism of agriculture to secondary and tertiary

industries, so that they will create a nonagricultural dual management system that combines decentralized management of household and joint-household industries with unified services and management of the collective rural economy. They should also guide those scattered households and joint-household industries into combining with parent and branch companies which promote "one product for one village" or "one product for one township," and gradually carry out efforts to develop joint-stock cooperative operations and management of scale. Throughout the process, they should closely combine their efforts with efforts to standardize economic cooperatives in rural areas. 3. They should proceed from efforts to stabilize the society and protect actual productive forces and abide by relevant stipulations of the State Council and demands of relevant provincial party committee documents, to strengthen effective guidance for and management over individual and private-run sectors of the economy.

During that period, responsible persons of 13 departments, including the provincial planning commission, adopted the method of conducting exchanges with and on-the-spot inspections of relevant Wenzhou City departments based on the principle of carrying out work in order of importance and urgency, giving prominence to key issues, and acting according to one's capability to offer Wenzhou whatever help they could give to solve policy and outstanding issues that have surfaced during the process of economic and social development.

### **Zhejiang Rural Enterprises Increase Exports**

OW0502134392 Beijing XINHUA in English  
1322 GMT 5 Feb 92

[Text] Hangzhou, February 5 (XINHUA)—Rural industry in east China's Zhejiang Province enhanced its export capacity in the first year of the Eighth Five-Year Plan period (1991-95).

According to an official of the Zhejiang provincial government, last year the value of export products turned out by the rural enterprises was 9.5 billion yuan, increasing by 46.7 percent over the previous year.

He said that Zhejiang's export ranks third in China.

There are more than 4,000 export-oriented enterprises in the province. Last year they made efforts to readjust their export product mix and improve the quality of the products.

A batch of rural enterprises which earned large sums of foreign currency emerged. Of the 4,000 enterprises, 236 whose value of export products reached more than 5 million yuan [sentence as received].

There are 206 enterprises with their total value of export products reaching 10 million yuan, 11 enterprises whose export product value topped 50 million yuan and five enterprises whose export value topped more than 100 million yuan.



Some enterprises are seeking partners to set up enterprise groups so as to optimize their management and enhance their economic strength.

Hangzhou Universal Couplings factory set up the Zhejiang Universal Couplings Enterprise Group through incorporation. Last year its profits and revenue reached 20 million yuan and its foreign currency receipts from exports reached 5.17 million U.S. dollars.

### Central-South Region

#### Shenzhen Draws Up New Plan for Financial Reform

OW0102105592 Beijing XINHUA in English  
1037 GMT 1 Feb 92

[Text] Shenzhen, February 1 (XINHUA)—The Shenzhen municipal government will take new steps to enact financial reform this year.

Zhen Hongyi, deputy mayor of Shenzhen City, told a financial work conference that more loans will be made for the construction of power stations, means of communication and some other basic installations as well as for major export enterprises.

At the same time, the rules for the provision of loans will be improved.

Foreign loans will mainly be used to support the city's major projects and enterprises producing export commodities. Meanwhile, supervision of banks which provide foreign loans will be tightened.

The city is also going to push forward the development of the stock exchange and expand the issuing of securities and debentures. The city will establish more securities companies as independent legal persons.

The city will make preparations for the establishment of a committee on securities affairs and a fund for overseas investors.

In addition, it will promote various types of insurance services this year.

#### Li Changchun Inspects Zhenping County

HK0502115692 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 25 Jan 92

[Excerpts] On 20-21 January, provincial Governor Li Changchun inspected Zhenping County, an economic experimental zone of Nanyang Prefecture, Nanyang's new airport project, the Wanmen program-controlled telephone project, and the Diaoyutai village, a model village of the two civilization in Nanyang City. He praised Zhenping County for its drive like that of coastal areas, and its good momentum in economic development. He said that Zhenping is rising. He encouraged the county to become a flower in southwestern part of Henan. He called on the Diaoyutai Village to implement the spirit of the Eighth Plenary Session of the 13th CPC

Central Committee, and advance toward the magnificent goal of becoming a village of small-scale prosperity. [passage omitted]

Li Changchun told Zhenping county's responsible cadres: After hearing and seeing what has happened in your county, I believe that Zhenping has drive like that of coastal areas, and that it is rising. He hoped that the county would simultaneously develop its primary, secondary, and tertiary industries, and turn Zhenping as early as possible into a flower in the southwestern part of Henan.

Li Changchun called on officers and men of a certain air force unit, which is undertaking the Nanyang's new airport project, and cadres and workers of Nanyang Construction Company to complete the project with high speed and excellent quality to make a contribution to reform and opening up of Nanyang and the whole province.

While inspecting the Diaoyutai Village, a model village of the two civilizations in Nanyang City, Li Changchun encouraged people there to vigorously develop collective economy and township and town enterprises, and conscientiously implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, and the third enlarged plenary session of the fifth provincial CPC Committee. Various kinds of work should advance at the head, and the village should march toward the goal of becoming a village of small-scale prosperity.

In the course of carrying out investigations and studies, Li Changchun earnestly told responsible comrades from the provincial propaganda department, and Nanyang Prefectural CPC Committee and Commissioner's Office: Leaders at all levels must first establish a Marxist concept on historical materialism, namely, the view on regarding the masses as the true heroes. They must have confidence, rely on, and show concern for the masses. Comrades on the propaganda and theoretical front should write articles to repeatedly propagate this point. Second, they should stick to the ideological line of dialectical materialism, namely, the viewpoint on seeking truth from facts to prevent proneness to boasting and exaggeration. They should be good at proceeding from local conditions to work in a creative manner. Third, they should hold high the banner of unity, forging the way forward, and invigorating Henan to prevent internal conflict and concentrate their efforts on work. In such a way, the building of the two civilizations in Henan will be carried out in a still better and faster way.

#### Guan Guangfu Addresses Lunar New Year Meeting

HK0602023892 Wuhan Hubei People's Radio Network  
in Mandarin 1000 GMT 29 Jan 92

[Excerpts] The provincial party committee and government today jointly held a meeting attended by veteran cadres in Wuchang's Hongshan Auditorium in celebration of the impending arrival of the Lunar New Year Festival.

At the meeting presided over by Qian Yunlu, provincial party committee deputy secretary, the provincial party, government, and military leading comrades exchanged festival greetings with the veteran cadres. Guan Guangfu, provincial party committee secretary, delivered a speech in which he said: Over the past year, in accordance with the central authorities' requirements and in light of the realities in Hubei, we have adhered to economic construction as the center, adhered to the four cardinal principles, stuck to reform and opening up, and continually pushed ahead with all construction undertakings. What merits special mention is: Our province was hit in 1991 by a variety of natural calamities, especially the unprecedentedly severe flood and water-logging calamities in early and mid-July of 1991. Nevertheless, thanks to the concerted efforts made by the party committees and governments at all levels; the hard work done by the people of the whole province; the electric power, drainage, irrigation, and farmland water conservancy facilities built over the past several decades; as well as the support of People's Liberation Army [PLA] units and armed police troops stationed in Hubei, we finally won victories in all types of work. [passage omitted]

Guan Guangfu noted: The work concerning veteran cadres is an important component of the party's cadre work. The party committees and governments at all levels must place the work concerning veteran cadres high on their important work agendas and gradually raise the provincial work concerning veteran cadres to a new level. In the meantime, the provincial party committee and government sincerely hope that all veteran comrades across the province will continue to show concern for the party and state as well as the provincial economic and social development, join hands with the party and government organizations at all levels and the broad masses of the people in making concerted efforts and working hard, and strive to greet the victorious convocation of the 14th national party congress with more outstanding achievements. [passage omitted]

The provincial party, government, and military leading comrades attending the meeting celebrating the impending arrival of the Lunar New Year Festival included: Guo Shuyan, Ding Fengying, Tian Qiyu, Zhong Shuqiao, Zheng Yunfei, Wang Shen, Chen Ming, Ma Liang, You Hongtao, Feng Qicheng, Li Leng, Chen Fusheng, Shi Chuan, Wang Hanzhang, Wang Ruisheng, Li Haizhong, Yang Shufen, Wang Libin, Xiao Quantao, Zhang Huainian, Shen Yinluo, Zhang Wencai, Han Wenqing, Gao Guobin, and Xu Shiqiao; Han Ningfu, Wuhan-based Central Advisory Committee member; Ren Rong, Wuhan-based Chinese People's Political Consultative Conference [CPPCC] National Committee Standing Committee member; and others. [passage omitted]

### **Guo Shuyan Lauds Scientists at New Year Forum**

*HK0602032392 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 29 Jan 92*

[Excerpts] This morning, Governor Guo Shuyan, Vice Governor Han Nanpeng, and other leading comrades joined some 13 Chinese Academy of Sciences members at a forum held in Wuchang's Hubei Hotel to celebrate the upcoming Lunar New Year Festival and discussed with them ways and means to promote Hubei's economic development through advanced science and technology. Han Nanpeng presided over the forum.

On behalf of the provincial government, Guo Shuyan first and foremost extended festival greetings to all the Wuhan-based veteran and new Chinese Academy of Sciences members and briefed them on the provincial political, economic, and social development situation over the past year. After that, Guo listened to the views of the Chinese Academy of Sciences members attending the forum on how to increase enterprise economic efficiency, deepen Hubei's reforms, and invigorate the Hubei economy through advanced science and technology. [passage omitted]

Guo Shuyan stated: In carrying out future scientific and technological work, we must first and foremost strive to step up propaganda and education with a view to enhancing a scientific and technological concept among the whole people, call for increasing enterprise economic efficiency through advanced science and technology, concentrate efforts on developing new products and projects with salient Hubei characteristics, adopt effective measures to check the exodus of qualified personnel, properly relax market control, increase scientific and technological input, mobilize the enthusiasm of the broad masses of scientific and technological personnel, introduce competition into scientific and technological research, and facilitate the transformation of scientific and technological advancement and achievements into productive forces.

Zhou Jianmei, provincial government secretary general; He Gengfa, provincial science and technology commission director; and Chen Hongxu, Chinese Academy of Sciences Wuhan Branch director; as well as comrades in charge of the provincial science and technology association, personnel department, and education commission attended the forum.

### **Southwest Region**

### **Earthquake Hits Tibet; No Injuries Yet Reported**

*HK0602081892 Hong Kong AFP in English 0801 GMT 6 Feb 92*

[Text] Hong Kong, Feb 6 (AFP)—An intense earthquake, measuring 5.6 on the Richter scale, rocked Tibet Thursday, the Hong Kong Royal Observatory said.

The epicentre of the tremor was detected at about 450 kilometers (280 miles) east-northeast of the Tibetan capital Lhasa at 0343 GMT, it said.

An earthquake measuring five on the Richter scale can cause considerable damage.

There was no report of casualties.

### Dehong Anti-Drug Campaign Achieves Progress

OW0502131892 Beijing XINHUA in English  
1250 GMT 5 Feb 92

[Text] Kunming, February 5 (XINHUA)—The Dai-Jingbo autonomous prefecture of Dehong in Yunnan Province, which borders on the "Golden Triangle," the main sources of drugs of the world, has basically checked the spread of the evil tendency of drug taking in the prefecture after several years of ceaseless efforts.

Located in the southwestern-most part of China, the prefecture shares a 503.8-kilometer border with Myanmar [Burma] without any natural protective screen. In some sections, the vines of pumpkins even reach out to the other side of the border and bear fruit there and sometimes hens from Myanmar seek food on the Chinese side and lay eggs there. Taking advantage of the proximity, some international drug traffickers, collaborating with law breakers in China, have smuggled opium and heroin into China's Dehong Prefecture.

The prefecture has suffered a lot from drug trafficking, especially in recent years when China introduced the policy of reform and opening to the outside world.

Wang Hongjun, an official of the prefecture's political and law committee, said that in 1983, 31 people were found to be heroin takers and in 1989, there were 17,521 drug addicts in the prefecture.

To check the tendency of taking drugs, the prefecture government has sent 3,500 cadres to villages over the past two years to publicize the law and regulations of the state on drug bans.

In the meantime, the public security departments, frontier guards and customs offices cooperate in their work to deal with drug smugglers.

The governments of the prefecture, counties and townships also sponsored about 10,000 drug-detoxifying clinics or drug-purging classes.

Since 1983, more than 70,000 people have been admitted into the classes or clinics for drug detoxification.

Many people have realized the harm of drug taking now and to consolidate the effects of the detoxification, the relatives, friends and neighbors voluntarily supervise some former drug addicts to prevent the recurrence of their old habits.

A young farmer named Xiao Qiao in Mangbang village of Wanding City left the drug-detoxifying clinic in 1990. His mother supervised his actions for one year.

Xiao Qiao was greatly moved by his mother and he was determined to give up the drug-taking habit.

In Guangla village of Ruili County, there were 17 drug addicts. In early 1988, they gave up the habit.

But three of them went back on drugs one month after they left the drug-detoxifying clinic. They were sent to the clinic again.

To prevent the recurrence of the habit, the village organized five football teams which absorbed all the former drug addicts in the village.

Shortly afterward, the former drug addicts became football fans and they beat several teams in Ruili County including the sugar refinery team, first secondary-school team, Ruili bank team and a team in a neighboring village in Myanmar.

Now the number of drug addicts in Dehong Prefecture is on the decrease.

According to statistics, the number declined to 11,902 in 1991 from 17,521 in 1989.

### North Region

#### Cheng Weigao Speaks on Housing Reform

SK0602021592 Shijiazhuang HEBEI RIBAO  
in Chinese 2 Jan 92 p 1

[Text] At the second housing reform conference held by the province, Provincial Governor Cheng Weigao called the participating commissioners and mayors together on 24 December 1991 to hold a discussion and hear reports of some prefectures and cities on their progress, problems, and suggestions concerning housing reform. He then gave five opinions.

Facilitating housing reform is an important part of the endeavor to deepen reform. A success in housing reform will help the government improve and maintain closer ties with the people, help the party and the government strengthen unity with the masses, help urban people achieve a fairly comfortable life, and help initiate rational consumption and promote construction, building materials, decoration, furniture, and other consumer goods industries. It will also facilitate the development of the economy as a whole. It is exactly because of this that governments at all levels should accelerate housing reform with a firm determination.

The basic purpose of housing reform is to accelerate housing construction through the funds raised from various channels so as to improve people's living conditions, boost their enthusiasm, and promote political stability, social stability, and economic development. There are two prerequisites for a success in housing



reform. First, more houses should be built and they should be built more rapidly and successfully. Localities conducting housing reform should solve the housing problems of the "three types of households" (namely households with particular difficulties, households without houses, and households with dangerous houses). Second, we should intensify publicity and education, make housing reform policies known to the masses, and turn them into the voluntary actions of the masses.

We should have a firm determination, do meticulous work, and take steady steps in conducting housing reform. The key to housing reform lies in preparations. When full preparations are made, plans will proceed smoothly after they are issued. Haste will very likely create setbacks and then hinder the progress of reform. The process to discuss and formulate plans is the process of publicity and education. When plans are formulated, conditions will be ripe, and when plans are officially put into effect, success will come.

Because the situation of the province is rather complicated, we should allow various localities to formulate their own housing reform plans in line with their economic development, financial strength, and people's capacity to withstand reform on the premise that the general principle is not violated. The major principles should remain unchanged, but different policies may be formulated for minor areas. All localities should implement the major principles but should allow flexibility and small adjustments in specific policies. This not only conforms to the capacity of the masses and enterprises to

withstand reform but also help pool some funds to accelerate housing construction.

All localities should strengthen leadership over housing construction. With the promotion of the housing reform, housing construction will be accelerated gradually and its scope will also be expanded. Therefore, we should coordinate the endeavor to improve people's living conditions with that to improve urban outlook and promote urban development and construction. In housing construction, first, all cities throughout the province should have unified planning and designing and should requisition land and dismantle, relocate, build, and manage houses in a unified manner. They should never dismantle or build houses arbitrarily. There should be unified planning, requisition of land, and construction in new residential areas, and there should also be unified dismantlement and relocation of houses and large-scale renovation in old residential areas. Second, auxiliary facilities should be built successfully in housing construction. Urban works should be built not only for large-scale construction but also for the construction of small residential areas. Urban works, shops, and public houses for various purposes should be available. Third, housing designs should be improved to raise the quality of housing construction. Fourth, construction funds should be guaranteed to accelerate construction. When funds are guaranteed, houses should be completed on schedule and commissioned in a timely manner. When houses are completed, roads should also be built, water and electricity supplied, and construction areas cleaned.

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